



**CHRIS HANI**  
**DISTRICT MUNICIPALITY**

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SUSTAINING GROWTH  
THROUGH OUR PEOPLE

**Draft Annual Report  
2018/2019**

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## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### 1.1 EXECUTIVE MAYOR’S FOREWORD

This financial year marked a period of changes for the district both at the political and administrative level which required our continued resolve to ensure stability in the institution. The transition resulted in changes in the faces constituting Municipal Council; however, the strategic objective and vision of Chris Hani District Municipality (CHDM) remained the same.

Our existence as Council is primarily measured by our strides in improving the quality of life of our communities. As public representatives our responsibility is to jealously safeguard the interests and wellbeing of our communities through the implementation of our Service Delivery Budget and Implementation Plan (SDBIP) as mandated by the people of Chris Hani District. This annual report is therefore based on our pro-poor budget as approved by Council at the beginning of the Financial Year under review.

As in the previous years, we present this annual report giving a comprehensive detail of our programs and activities for the 2018/19 financial year. This report serves as a record of and accounting mechanism to communities on the institutions’ achievements, challenges, mitigation and remedial measures implemented to address the latter. While it reflects that progress has been made in service delivery there are undeniable challenges that are still confronting us.

During the period under review Council worked tirelessly to build on the achievements of our predecessors to accelerate the provision of the much needed services focusing on the five developmental local government key performance areas: **Municipal Transformation and Organizational Development, Basic Service Delivery and Infrastructure Development Local Economic Development, Financial Management and Viability and Good Governance and Public Participation.**

We can proudly state that we have taken the necessary steps and stance in committing ourselves to deliver on our mandate and have successfully conducted a Customer Satisfaction Survey. The survey which evaluated customer expectations, perceptions and further identified service delivery gaps and outlined areas of focus with clear recommendations in meeting our objectives as entrenched in the Batho Pele Principles and Back to Basics approach. We further embarked on this exercise specifically to inculcate in all concerned a culture of service excellence, accountability and good governance in creating a people centered organisation.

For the year under review our District regrettably regressed to a Disclaimer an Audit Opinion that we are all not proud of. We have certainly learnt our lesson and commit to redeem ourselves in pursuit of a Clean Audit. Key to this, we tasked our management team to craft and ensure implementation of the audit action plan that will address the issues raised by the Office of the Auditor General.

The persisting severe spell of drought which our district is still faced with continues to further cause water shortages across the district. Water levels in our main sources drastically decreased and this continues to badly affect water pressure. The district prioritized commissioning and drilling of additional boreholes, upgrading of existing water schemes and delivery of water tankers amongst others to augment water supply.

Allow me thank the Mayoral Committee, fellow Councillors, Accounting Officer and the entire management team, all staff members, residents, interests groups, associations and forums working with us to better the lives of those whom we serve. Your positive and constructive criticism remains a pillar of public participation and a solid foundation for good governance and improved service delivery.

Working together we can leave a lasting legacy.

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*Cllr Wongama Gela*  
**Executive Mayor**



## 1.2 MUNICIPAL MANAGER'S FOREWORD

The Annual Report for the 2018/2019 financial year has been prepared in line with Section 121 of the Local Government Municipal Finance Management Act, No. 56 of 2003 as well as accompanying circulars, templates and guidelines.

The report seeks to outline the performance in line with the set targets and progress made in that respect. The purpose is to ensure that the district fulfils its strategic objectives as set out in the Integrated Development Plan (IDP) which subsequently informs the Service Delivery and Budget Implementation Plan (SDBIP) for the year under review. Furthermore, the district strives to promote accountability to the local community in as far as decisions made throughout the year under review.

During this period the district experienced numerous challenges especially in infrastructure, water and sanitation related programmes, such that chapter three (3) of this report attest to that in as far as performance is concerned. This is evidenced by the three year comparison analysis that shows a decline of seven percent (7%) in performance mainly influenced by the key performance area upon which infrastructure, water and sanitation are embedded. The district acknowledges these challenges and thus measures have been put in place for 2019/20 financial year in order to avoid reoccurrence of similar encounters.

Whilst the administrative leadership has not been fully complemented for the period under review due to vacancies that arose, the leadership ensured congruency and coherence throughout the institution. During this time, the administrative leadership emerged stronger in certain areas and therefore successes and milestones were noticed in respect to Local Economic Development, Municipal Health Services and Good Governance programmes. The District has enhanced meaningful, valuable and sustainable partnerships with international and domestic organizations which yielded much anticipated results.

The district was not immune to financial challenges that confronted local government sector throughout the country, as such cost containment measures had to be considered to mitigate financial distress. Whilst revenue collection is still a challenge, handful strides were made to address the situation. Plans to fully address revenue collection are underway and shall fully be implemented in 2019/20 financial year. On the same breath, all these risks have led a paradigm shift wherein strategic, operational and emerging risks became the order of the day.

All of this notable work could not have been realised without the concerted efforts of our staff members. No amount of words could genuinely acknowledge and appreciate the guidance and support provided by the political leadership. The institution exists because of the community voice and we would like to take a pause to express gratitude in the manner in which they have contributed to the existence of the current state of affairs.

A stylized, handwritten signature in black ink, appearing to read 'B J Mthembu'.

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Dr B J Mthembu  
**Acting Municipal Manager**

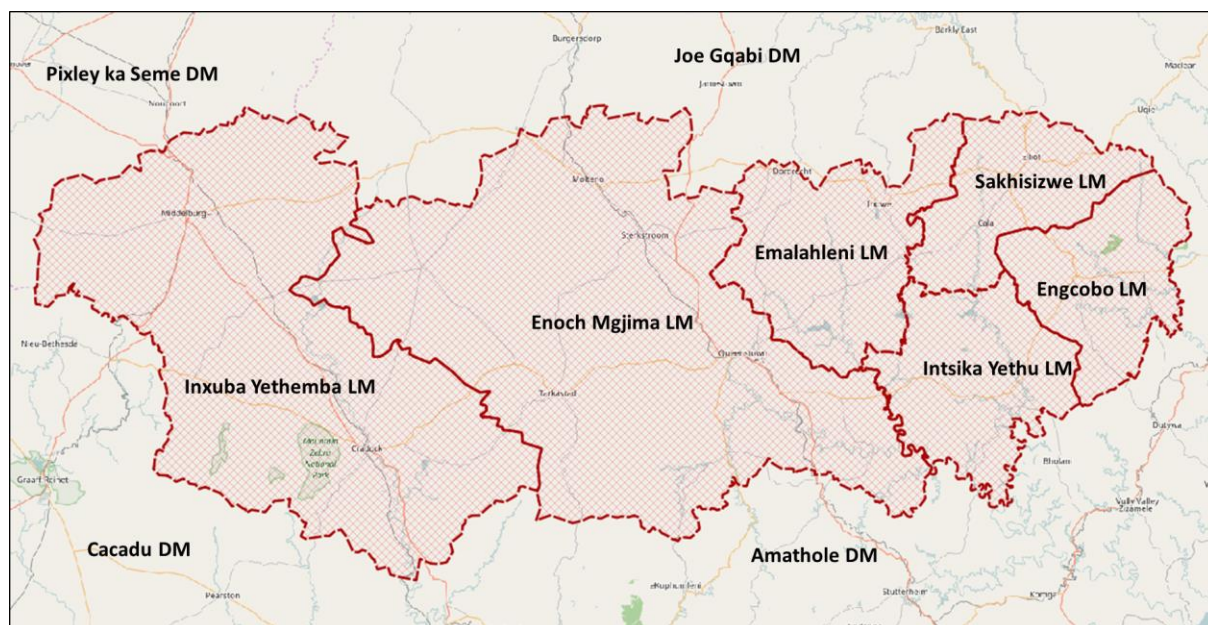
## 1.3 Municipal Overview

### 1.3.1 SPATIAL OVERVIEW

Chris Hani District Municipality is situated on the northern region of the Eastern Cape Province and covers a surface area of 36,756 Km<sup>2</sup>. Only 35.2% of the district population live in areas classified as urban, while 63.8% live in predominantly rural areas. The district also shares borders with five other districts, namely, Pixley ka Seme DM, Joe Gqabi DM, Sarah Baartman DM, Amathole DM and O.R. Tambo DM.

After the 2016 Local Government Elections (3 August 2016), the number of local municipalities decreased from eight to six with the merger of Tsolwana LM, Inkwanca LM and Lukanji LM into a newly established municipality, Enoch Mgijima LM, which also hosts the district municipal headquarters and council chambers in Komani.

**Map 1. Chris Hani District Municipal Boundary**



Source: IHS Markit GIS & Municipal Demarcation Board, 2016

The following list presents the six LMs of the district with their urban nodes:

- **Inxuba Yethemba LM:** Cradock and Middleburg.
- **Enoch Mgijima LM:** Komani, Whittlesea, Tarkastad, and Hofmeyer.
- **Emalahleni LM:** Cacadu, Dordrecht and Indwe.
- **Intsika Yethu LM:** Cofimvaba and Tsomo.
- **Sakhisizwe LM:** Cala and Ekhowa.
- **Engcobo LM:** Engcobo

The Chris Hani District is comprised of three historically distinct areas, the result of which is seen in the spatial development of the district. The former Ciskei – made up of Hewu and Glen Grey magisterial districts – and the former Transkei – which includes primarily the districts of Ngcobo, Cala, Cofimvaba, Tsomo and Lady Frere magisterial districts – are characterised by significant underdevelopment and a high level of poverty.

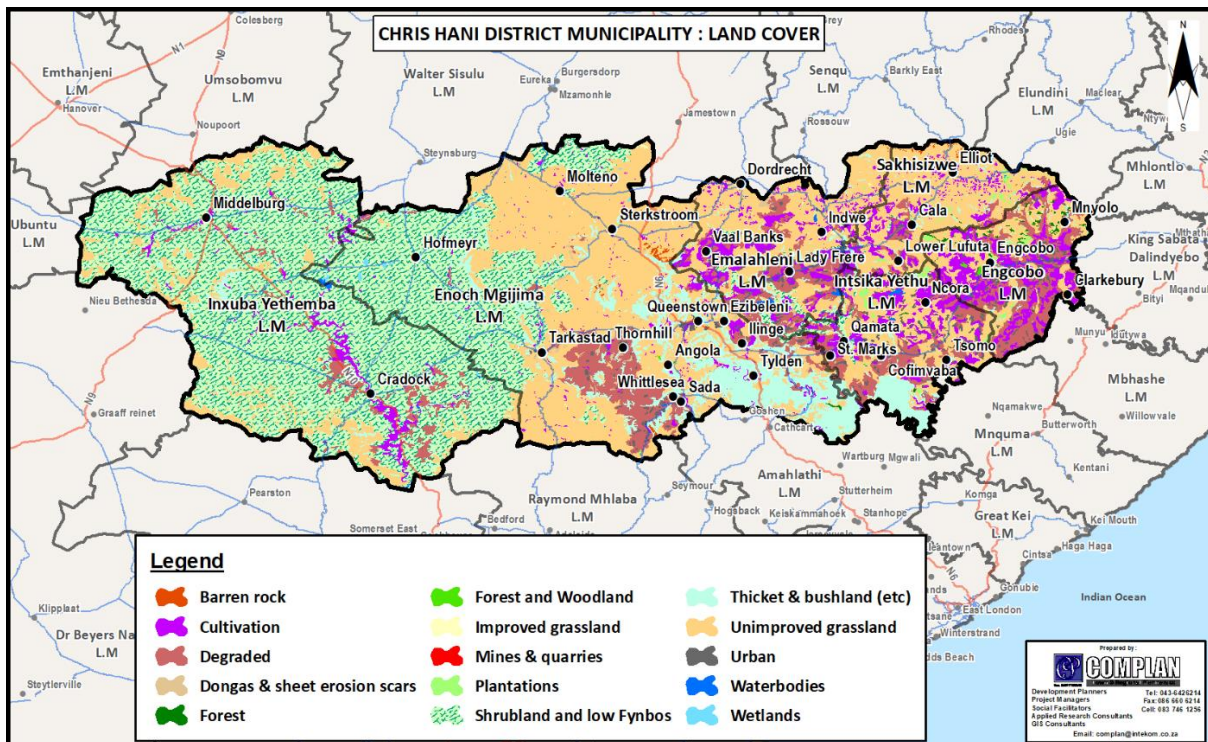
The balance of the Chris Hani District Municipality area is made up of former RSA magisterial districts. The settlement and land use patterns in the two former homeland areas are distinctively different. Settlement in the former Ciskei and Transkei is predominantly of



the dispersed “traditional” rural village settlement type, where subsistence-farming practices (pastoral and dry land cultivation) are the dominant forms of land use activity apart from the residential function of these areas. In contrast, settlement and land use in the former RSA component of the district is largely characterised by nodal urban development (small service towns) and commercial farms.

Largely, the spatial pattern of the Study Area is characterised by a “mismatch” of separate rural and urban areas, which are nevertheless functionally interrelated and dependent on a core area like Komani. It is important to note that the spatially fragmented settlement pattern of the Study Area is the result of different political historical factors, as well as administrative and ideological based development initiatives implemented in the area over the last century.

**Map 1. Chris Hani District Land Cover**



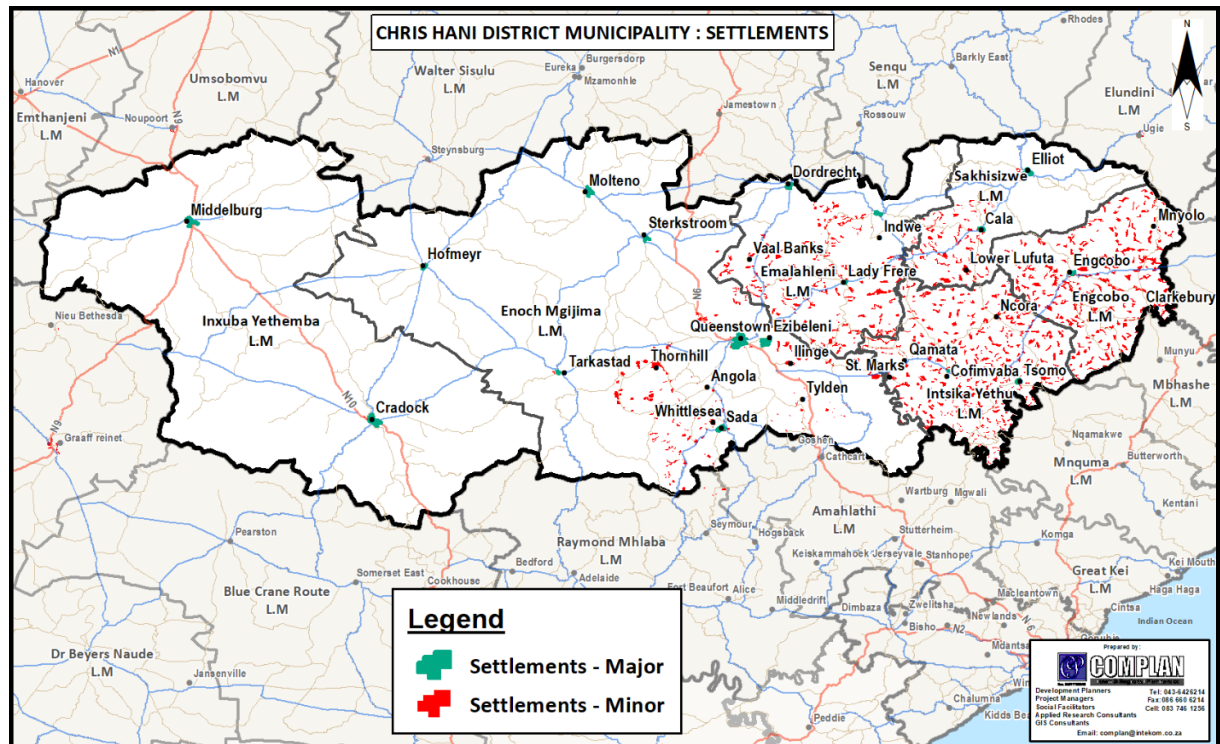
Source: IHS Markit GIS & Municipal Demarcation Board, 2016

## Settlement Characteristics

The district municipality is predominantly rural in character with a number of urban settlements. They are as follows: Cradock, Middleburg, Komani, Whittlesea, Tarkastad, Molteno, Hofmeyer, Cacadu (Lady Frere), Dordrecht, Indwe, Cofimvaba, Tsomo, Cala, Khowa and Engcobo. Komani is an economic hub, due to its strategic position in the Chris Hani District Municipality. Komani has signs of more compactness compare to other small urban areas in the district municipality. The settlement patterns that occur within district municipality are in the form of rural sprawl and low-density urban sprawl in small towns in municipality.

This reflects the existent texture of the already existing urban centers together with the rural villages. These above-mentioned patterns are not sustainable or effective and has given rise to settlements that range from low density agrarian communities to relatively high density urban settlements. The layout of these rural villages is informal and are based firstly on family units and secondly on community units.

Map 2. Chris Hani District Settlements



Source: IHS Markit GIS & Municipal Demarcation Board, 2016

### Settlement Nodes

Type	Location	Local Municipality	Function of Settlement and associated typical land uses
<b>District Centre</b>	Komani	Enoch Mgijima	<ul style="list-style-type: none"> <li>District-level Administrative centre</li> <li>Major district service centre for commercial and social goods and services</li> <li>Centre of educational excellence</li> <li>Industrial centre for value adding processes and local based manufacturing</li> <li>Residential development</li> <li>covering full range of economic bands (High income – Low-income)</li> </ul>
<b>Sub-District Centres</b>	Cradock	Inxuba Yethemba	<ul style="list-style-type: none"> <li>Municipal-scale Administrative Centre</li> <li>Municipal-scale service centre for commercial and social goods and services</li> <li>Residential development covering limited range of economic bands (Middle income–Low-income)</li> <li>Potential for value-adding agro-industrial processes</li> <li>Potential for event-related tourism events</li> </ul>
	Ngcobo	Engcobo	
	Cofimvaba	Intsika Yethu	
	Cacadu	Emalahleni	
	Cala	Sakhisizwe	
<b>Local Centres</b>	Middelburg	Inxuba Yethemba	<ul style="list-style-type: none"> <li>Municipal-scale Administrative Centre</li> <li>Local-scale Service Centre for commercial and social goods and services</li> <li>Residential development covering limited</li> </ul>
	Tarkastad	Enoch Mgijima	
	Hofmeyr	Enoch Mgijima	

Type	Location	Local Municipality	Function of Settlement and associated typical land uses
	Molteno	Enoch Mgijima	range of economic bands (Middle income–Low-income) <ul style="list-style-type: none"> <li>Potential for value-adding agro-industrial processes</li> </ul>
	Ekhowa	Sakhisizwe	
	Dordrecht	Emalahleni	
<b>Sub-Local Centres</b>	Sterkstroom	Enoch Mgijima	<ul style="list-style-type: none"> <li>Minor Administrative Functions</li> <li>Minor service centre for social goods and services</li> <li>Focused support of local economic initiatives –agriculture-based</li> </ul>
	Sada/Whittlesea	Enoch Mgijima	
	Indwe	Emalahleni	
	VaalBank		
	Tsomo	Intsika Yethu	
	Ilinge	Enoch Mgijima	
	Thornhill	Enoch Mgijima	
	Lower Lufuta	Sakhisizwe	
	Clarkebury	Engcobo	
	Mnyolo,	Engcobo	
	Ncora	Intsika Yethu	
	Qamata	Intsika Yethu	
	St Marks	Intsika Yethu	
<b>Rural Settlements</b>	Rural settlements across the district	All Local Municipalities	<ul style="list-style-type: none"> <li>Primarily residential and livelihood subsistence function</li> <li>Some provision of limited social goods and services</li> </ul>

### 1.3.2 MUNICIPAL POWERS AND FUNCTIONS

The Chris Hani District Municipality is a category C2 municipality mandated to perform those powers and functions vested in District Municipalities as contemplated in schedules 4 and 5 of the Constitution of the Republic of South Africa, Act 108 of 1996. In addition to these powers and functions as contemplated in the Act, the CHDM is mandated to perform such functions and powers as determined by the MEC responsible for Local Government and as gazettied by the province. In relation to this, therefore, the core mandate of the CHDM is the supply of bulk water and sanitation infrastructure, disaster management, municipal planning, municipal health services, tourism, local economic development and maintenance of provincial roads as per the agreement entered into between the CHDM and the Department of Roads and Public Works. The table below therefore depicts those powers and functions vested in the district and those allocated to the various local municipalities within the district jurisdiction.

**Table 1: Municipal powers and functions**

FUNCTION	CHRIS HANI DM	ENOCH MGIJIMA LM	INTSIKA YETHU LM	ENGCOBO LM	SAKHISIZWE LM	EMALAHLENI LM	INXUBA YETHEMBA LM
Air pollution	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Building regulations	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Child Care facilities	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Electricity reticulation	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Fire Fighting	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Local Tourism	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Planning	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Health Services	Yes	No	No	No	No	No	No
Storm water	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Trading regulations	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Bulk and portable Water supply	Yes	No	No	No	No	No	No
Bulk and Sanitation supply	Yes	No	No	No	No	No	No
Billboards and the display of adverts in public places	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Cemeteries, Crematoria and funeral parlours	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Cleansing	N/A	Yes	Yes	Yes	Yes	Yes	Yes

FUNCTION	CHRIS HANI DM	ENOCH MGJIMA LM	INTSIKA YETHU LM	ENGCOBO LM	SAKHISIZWE LM	EMALAHLENI LM	INXUBA YETHEMBA LM
Control of public nuisances	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Control of undertakings that sell liquor to the public	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Fencing and fences	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Licensing and control of undertakings that sell food to the public	Yes	No	No	No	No	No	No
Local amenities	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Local sport facilities	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Markets	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Municipal abattoirs	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Municipal parks and recreational facilities	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Municipal roads	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Noise pollution	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Pounds	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Public places	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Refuse removal, refuse dumps and solid waste disposal	Management of solid waste sites	Yes	Yes	Yes	Yes	Yes	Yes
Street trading	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Street lighting	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Traffic and parking	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Licensing of vehicles	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Road maintenance	Yes (Agent: DORT)	Yes	Yes	Yes	Yes	Yes	Yes
Libraries	N/A	Yes	Yes	Yes	Yes	Yes	Yes

### 1.3.3 DISTRICT DEMOGRAPHIC PROFILE

In this section, an overview is provided of the demography of the Chris Hani District Municipality and all its neighbouring regions, the Eastern Cape Province and South Africa as a whole. This section will also provide population distributions across race, age and gender as well as an indication of population densities and various household dynamics.

#### 1.3.3.1 Population Levels

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

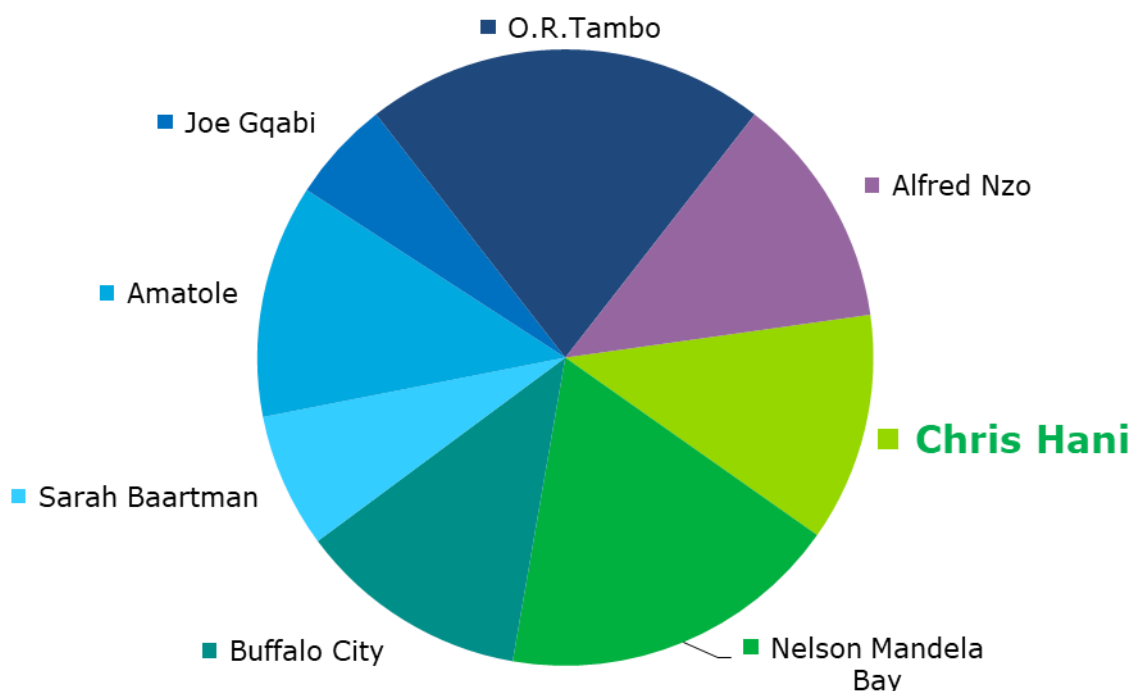
**Table 2: Total population - Chris Hani, Eastern Cape and National Total, 2007-2017 [NUMBERS / PERCENTAGE]**

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2007	801,000	6,470,000	48,400,000	12.4%	1.65%
2008	803,000	6,500,000	49,100,000	12.4%	1.63%
2009	806,000	6,540,000	49,800,000	12.3%	1.62%
2010	810,000	6,600,000	50,700,000	12.3%	1.60%
2011	813,000	6,650,000	51,500,000	12.2%	1.58%
2012	816,000	6,710,000	52,400,000	12.2%	1.56%
2013	821,000	6,780,000	53,200,000	12.1%	1.54%
2014	827,000	6,850,000	54,100,000	12.1%	1.53%
2015	834,000	6,930,000	54,900,000	12.0%	1.52%
2016	842,000	7,010,000	55,700,000	12.0%	1.51%
2017	849,000	7,080,000	56,500,000	12.0%	1.50%
<b>Average Annual growth</b>					
2007-2017	<b>0.58%</b>	<b>0.91%</b>	<b>1.56%</b>		

Source: IHS Markit Regional eXplorer version 1479

With 849 000 people, the Chris Hani District Municipality housed 1.5% of South Africa's total population in 2017. Between 2007 and 2017 the population growth averaged 0.58% per annum which is more than half than the growth rate of South Africa as a whole (1.56%). Compared to Eastern Cape's average annual growth rate (0.91%), the growth rate in Chris Hani's population at 0.58% was close to half than that of the province.

**Total population - Chris Hani and the rest of Eastern Cape, 2017 [Percentage]**



Source: IHS Markit Regional eXplorer version 1479

When compared to other regions, the Chris Hani District Municipality accounts for a total population of 849,000, or 12.0% of the total population in the Eastern Cape Province, with the O.R. Tambo being the most populous region in the Eastern Cape Province for 2017. Chris Hani decreased in importance from ranking fourth in 2007 to sixth in 2017. In terms of its share the Chris Hani District Municipality was slightly smaller in 2017 (12.0%) compared to what it was in 2007 (12.4%). When looking at the average annual growth rate, it is noted that Chris Hani ranked seventh (relative to its peers in terms of growth) with an average annual growth rate of 0.6% between 2007 and 2017.

**Table 3: Total population - local municipalities of Chris Hani District Municipality, 2007, 2012 and 2017**

**[NUMBERS / PERCENTAGE]**

	2007	2012	2017	Average Annual growth
Inxuba Yethemba	63,500	66,300	70,300	<b>1.03%</b>
Intsika Yethu	153,000	152,000	154,000	<b>0.09%</b>
Emalahleni	119,000	122,000	126,000	<b>0.59%</b>
Engcobo	157,000	157,000	162,000	<b>0.28%</b>
Sakhisizwe	63,400	63,200	65,200	<b>0.29%</b>
Enoch Mgijima	246,000	256,000	272,000	<b>1.02%</b>
<b>Chris Hani</b>	<b>801,407</b>	<b>816,266</b>	<b>849,231</b>	<b>0.58%</b>

Source: IHS Markit Regional eXplorer version 1479



The Inxuba Yethemba Local Municipality increased the most, in terms of population, with an average annual growth rate of 1.03%, the Enoch Mgijima Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 1.02%. The Intsika Yethu Local Municipality had the lowest average annual growth rate of 0.09% relative to the other within the Chris Hani District Municipality.

### 1.3.3.2 Population by population group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

**Table 4: Population by gender - Chris Hani and the rest of Eastern Cape Province, 2017 [Number]**

	Male	Female	Total
Chris Hani	410,000	439,000	849,000
Nelson Mandela Bay	616,000	657,000	1,270,000
Buffalo City	413,000	445,000	859,000
Sarah Baartman	248,000	252,000	500,000
Amatole	415,000	452,000	867,000
Joe Gqabi	181,000	196,000	377,000
O.R.Tambo	699,000	794,000	1,490,000
Alfred Nzo	402,000	465,000	867,000
<b>Eastern Cape</b>	<b>3,380,000</b>	<b>3,700,000</b>	<b>7,080,000</b>

Source: IHS Markit Regional eXplorer version 1479

Chris Hani District Municipality's male/female split in population was 93.5 males per 100 females in 2017. The Chris Hani District Municipality appears to be a fairly stable population with the share of female population (51.69%) being very similar to the national average of (51.05%). In total there were 439 000 (51.69%) females and 410 000 (48.31%) males. This is different from the Eastern Cape Province as a whole where the female population counted 3.7 million which constitutes 52.23% of the total population of 7.08 million.

**Table 5: Population by population group, Gender and Age - Chris Hani District Municipality, 2017 [Number]**

	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	45,300	46,900	416	416	1,710	1,680	112	90
05-09	46,200	48,300	410	486	1,660	1,610	74	73
10-14	39,700	42,300	523	415	1,700	1,620	54	71
15-19	33,300	37,500	422	395	1,350	1,500	64	49
20-24	32,500	35,900	372	370	1,430	1,500	63	148
25-29	33,500	37,800	532	547	1,490	1,360	80	263
30-34	29,200	31,100	524	495	1,250	1,050	96	203
35-39	24,800	24,700	521	508	1,140	1,080	66	145
40-44	17,700	14,300	529	554	1,100	998	68	134
45-49	16,200	9,600	592	547	885	997	53	69
50-54	17,800	9,810	666	642	832	802	29	57
55-59	19,500	11,000	613	614	823	687	43	26
60-64	16,700	10,400	553	480	702	601	45	39
65-69	13,400	9,410	459	464	549	410	12	21
70-74	11,700	7,770	321	343	374	249	11	12
75+	15,200	8,240	505	349	391	205	26	17
<b>Total</b>	<b>413,000</b>	<b>385,000</b>	<b>7,960</b>	<b>7,630</b>	<b>17,400</b>	<b>16,400</b>	<b>896</b>	<b>1,420</b>

Source: IHS Markit Regional eXplorer version 1479

In 2017, the Chris Hani District Municipality's population consisted of 93.92% African (798 000), 1.84% White (15 600), 3.97% Coloured (33 700) and 0.27% Asian (2 310) people.

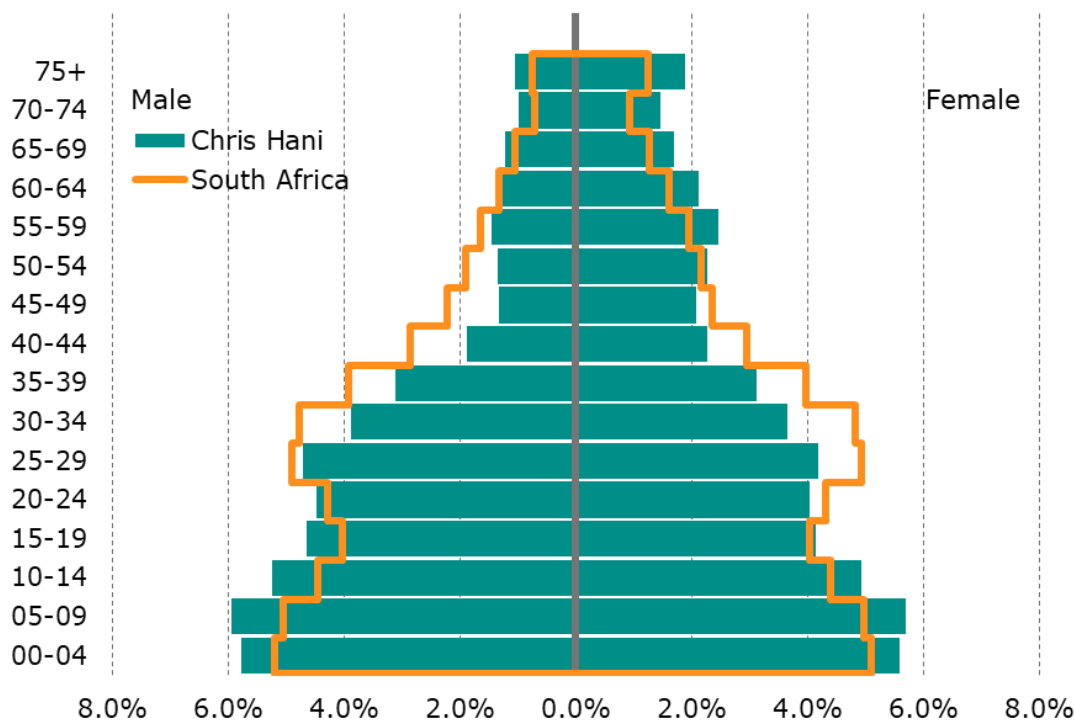
The largest share of population is within the babies and kids (0-14 years) age category with a total number of 282 000 or 33.2% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 26.8%, followed by the teenagers and youth (15-24 years) age category with 147 000 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 70 400 people, as reflected in the population pyramids below.

### 1.3.3.3 Population Pyramids

A population pyramid is a graphic representation of the population categorised by gender and age, for a specific year and region. The horizontal axis depicts the share of people, where the male population is charted on the left-hand side and the female population on the right-hand side of the vertical axis. The vertical axis is divided in 5-year age categories.

With the African population group representing 93.9% of the Chris Hani District Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Chris Hani's population structure of 2017 to that of South Africa.

**Population pyramid - Chris Hani District Municipality vs. South Africa, 2017 [Percentage]**



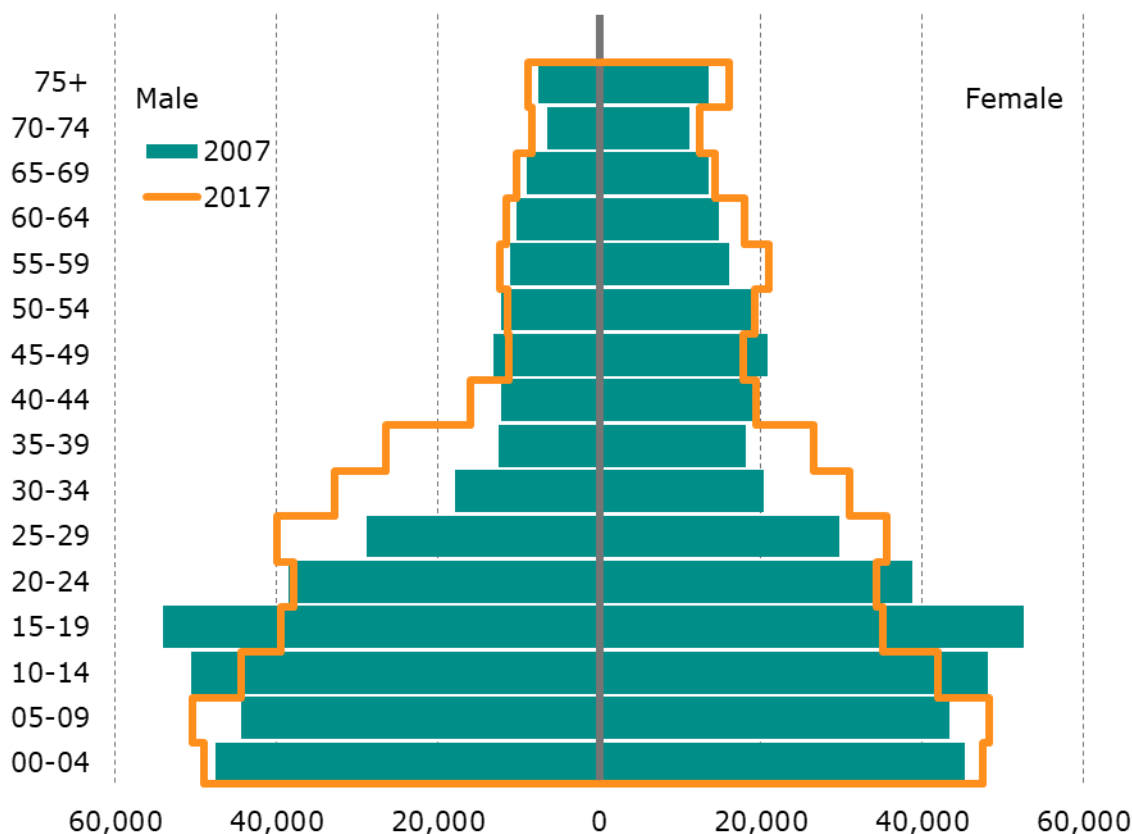
Source: IHS Markit Regional eXplorer version 1479

By comparing the population pyramid of the Chris Hani District Municipality with the national age structure, the most significant differences are:

- There is a significant smaller share of young working age people - aged 20 to 34 (24.9%) - in Chris Hani, compared to the national picture (28.0%).
- The area seems to be a migrant sending area, with many people leaving the area to find work in the bigger cities.
- Fertility in Chris Hani is significantly higher compared to South Africa as a whole.
- Spatial policies changed since 1994.

- The share of children between the ages of 0 to 14 years is significantly larger (33.2%) in Chris Hani compared to South Africa (29.1%). Demand for expenditure on schooling as percentage of total budget within Chris Hani District Municipality will therefore be higher than that of South Africa.

**Population pyramid - Chris Hani District Municipality, 2007 vs. 2017 [Percentage]**



Source: IHS Markit Regional eXplorer version 1479

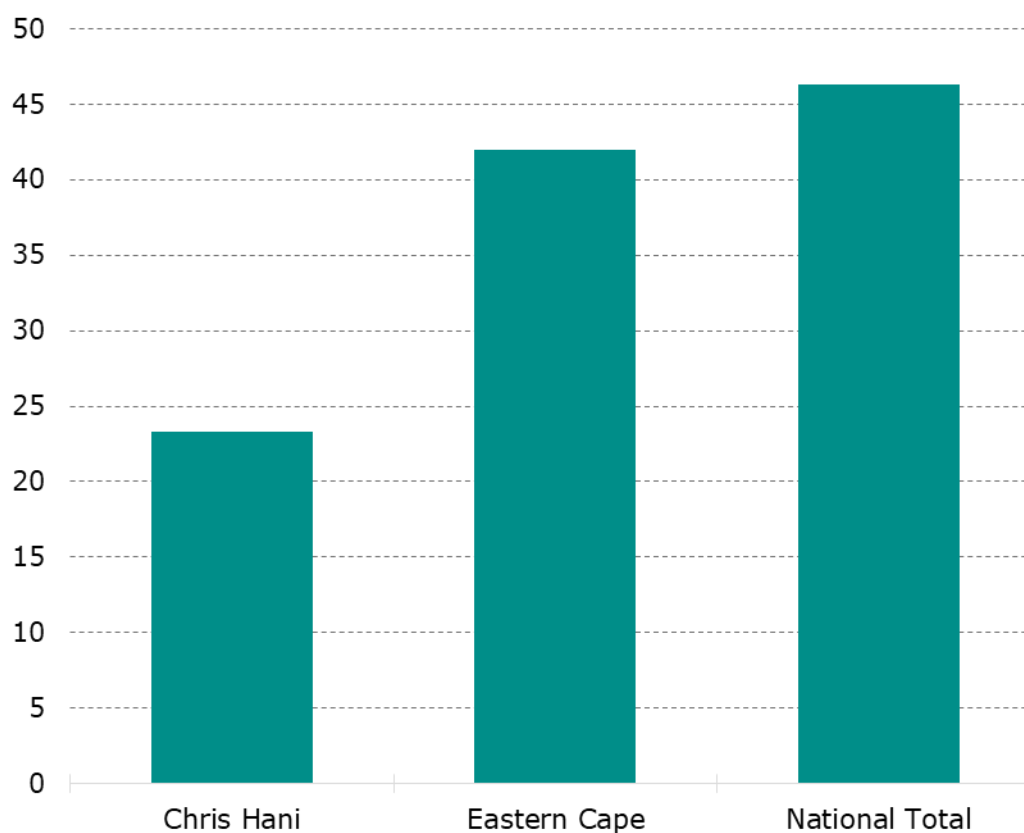
When comparing the 2007 population pyramid with the 2017 pyramid for the Chris Hani District Municipality, some interesting differences are visible:

- In 2007, there were a significant smaller share of young working age people - aged 20 to 34 (21.7%) - compared to 2017 (24.9%).
- Fertility in 2007 was slightly lower compared to that of 2017.
- The share of children between the ages of 0 to 14 years is significantly larger in 2007 (34.8%) compared to 2017 (33.2%).
- Life expectancy is increasing.
- In 2017, the female population for the 20 to 34 years age group amounted to 11.1% of the total female population while the male population group for the same age amounted to 10.6% of the total male population. In 2007 the male working age population at 13.0% still exceeds that of the female population working age population at 11.9%.

#### 1.3.3.4 Population Density

Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

**Population density - Chris Hani, Eastern Cape and National Total, 2017 [number of people per square km]**



Source: IHS Markit Regional eXplorer version 1479

In 2017, with an average of 23.3 people per square kilometre, Chris Hani District Municipality had a lower population density than Eastern Cape (41.9 people per square kilometre). Compared to South Africa (46.3 per square kilometre) it can be seen that there are less people living per square kilometre in Chris Hani District Municipality than in South Africa.

**Table 6: Population density - Chris Hani and the rest of Eastern Cape, 2007-2017 [number of people per km]**

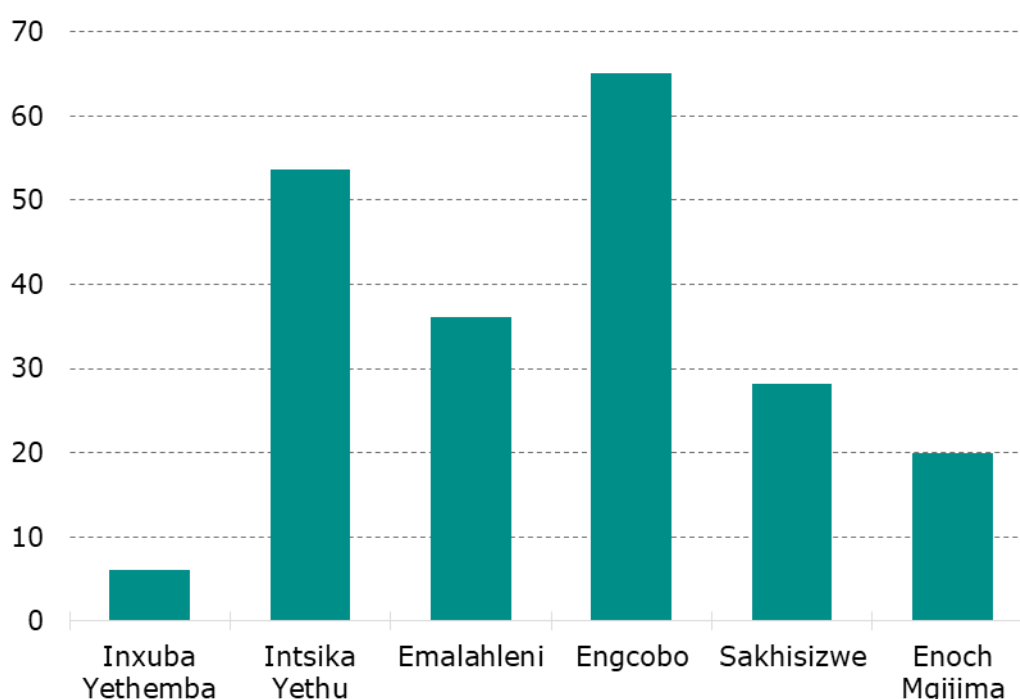
	Chris Hani	Nelson Mandela Bay	Buffalo City	Sarah Baartman	Amatole	Joe Gqabi	O.R.Tambo	Alfred Nzo
2007	22.01	560.10	279.68	7.29	41.96	13.64	111.01	74.04
2008	22.04	567.03	281.33	7.39	41.58	13.63	111.70	74.33
2009	22.13	575.35	283.76	7.52	41.30	13.67	112.65	74.80
2010	22.24	584.52	286.76	7.65	41.09	13.74	113.76	75.37
2011	22.33	593.87	289.92	7.78	40.91	13.84	114.93	76.02
2012	22.42	603.33	293.21	7.91	40.74	13.95	116.03	76.63
2013	22.56	613.05	296.86	8.05	40.68	14.09	117.29	77.37
2014	22.72	622.78	300.69	8.19	40.69	14.24	118.65	78.18
2015	22.91	632.28	304.55	8.32	40.77	14.40	120.06	79.04
2016	23.11	641.45	308.38	8.45	40.90	14.56	121.50	79.92
2017	23.33	650.41	312.21	8.58	41.07	14.73	122.92	80.79
<b>Average Annual growth</b>								
2007-2017	<b>0.58%</b>	<b>1.51%</b>	<b>1.11%</b>	<b>1.65%</b>	<b>-0.21%</b>	<b>0.77%</b>	<b>1.02%</b>	<b>0.88%</b>

Source: IHS Markit Regional eXplorer version 1479

In 2017, Chris Hani District Municipality had a population density of 23.3 per square kilometre and it ranked highest amongst its peers. The region with the highest population density per square kilometre was the Nelson Mandela Bay with a total population density of 650 per square kilometre per annum. In terms of growth, Chris Hani District Municipality had an average annual growth in its population density of 0.58% per square kilometre per annum. The region with the highest growth rate in the population density per square kilometre was Sarah Baartman with an average annual growth rate of 1.65% per square kilometre. In 2017, the region with the lowest population density within Eastern Cape Province was Sarah Baartman with 8.58 people per square kilometre. The region with the lowest average annual growth rate was the Amatole with an average annual growth rate of -0.21% people per square kilometre over the period under discussion.

*Using population density instead of the total number of people creates a better basis for comparing different regions or economies. A higher population density influences the provision of household infrastructure, quality of services, and access to resources like medical care, schools, sewage treatment, community centres, etc.*

#### **Population Density - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2017 [percentage]**



*Source: IHS Markit Regional eXplorer version 1479*

In terms of the population density for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality had the highest density, with 65.1 people per square kilometre. The lowest population density can be observed in the Inxuba Yethemba Local Municipality with a total of 6.03 people per square kilometre.

#### **1.3.3.5 Number of Households by Population Group**

A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2017, the Chris Hani District Municipality comprised of 230 000 households. This equates to an average annual growth rate of 1.46% in the number of households from 2007 to 2017. With an average annual growth rate of 0.58% in the total population, the average household size in the Chris Hani District Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2007 decreased from approximately 4 individuals per household to 3.7 persons per household in 2017.

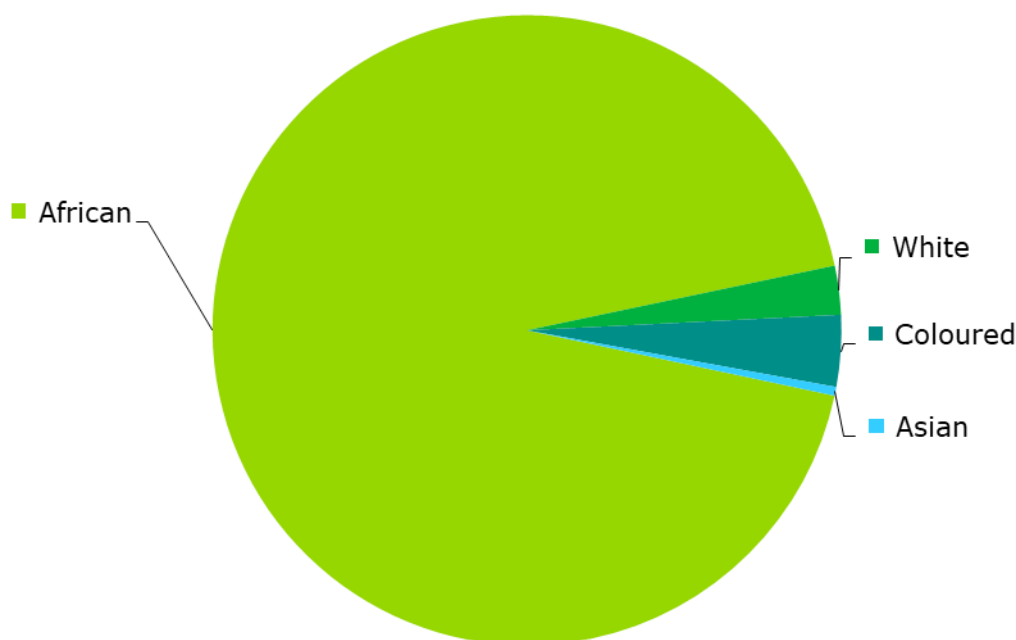
**Table 7: Number of households - Chris Hani, Eastern Cape and National Total, 2007-2017 [Number Percentage]**

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2007	198,000	1,600,000	13,100,000	12.4%	1.51%
2008	203,000	1,630,000	13,400,000	12.5%	1.52%
2009	210,000	1,670,000	13,700,000	12.5%	1.53%
2010	211,000	1,680,000	13,900,000	12.5%	1.52%
2011	213,000	1,700,000	14,200,000	12.5%	1.50%
2012	214,000	1,710,000	14,500,000	12.5%	1.48%
2013	216,000	1,730,000	14,700,000	12.5%	1.46%
2014	216,000	1,740,000	15,000,000	12.4%	1.44%
2015	220,000	1,770,000	15,400,000	12.4%	1.43%
2016	225,000	1,810,000	15,700,000	12.4%	1.43%
2017	229,000	1,860,000	16,100,000	12.4%	1.43%
<b>Average Annual growth</b>					
2007-2017	<b>1.46%</b>	<b>1.52%</b>	<b>2.02%</b>		

Source: IHS Markit Regional eXplorer version 1479

Relative to the province, the Chris Hani District Municipality had a lower average annual growth rate of 1.46% from 2007 to 2017. In contrast, the South Africa had a total of 16.1 million households, with a growth rate of 2.02%, thus growing at a higher rate than the Chris Hani.

**Number of households by population group - Chris Hani District Municipality, 2017 [Percentage]**

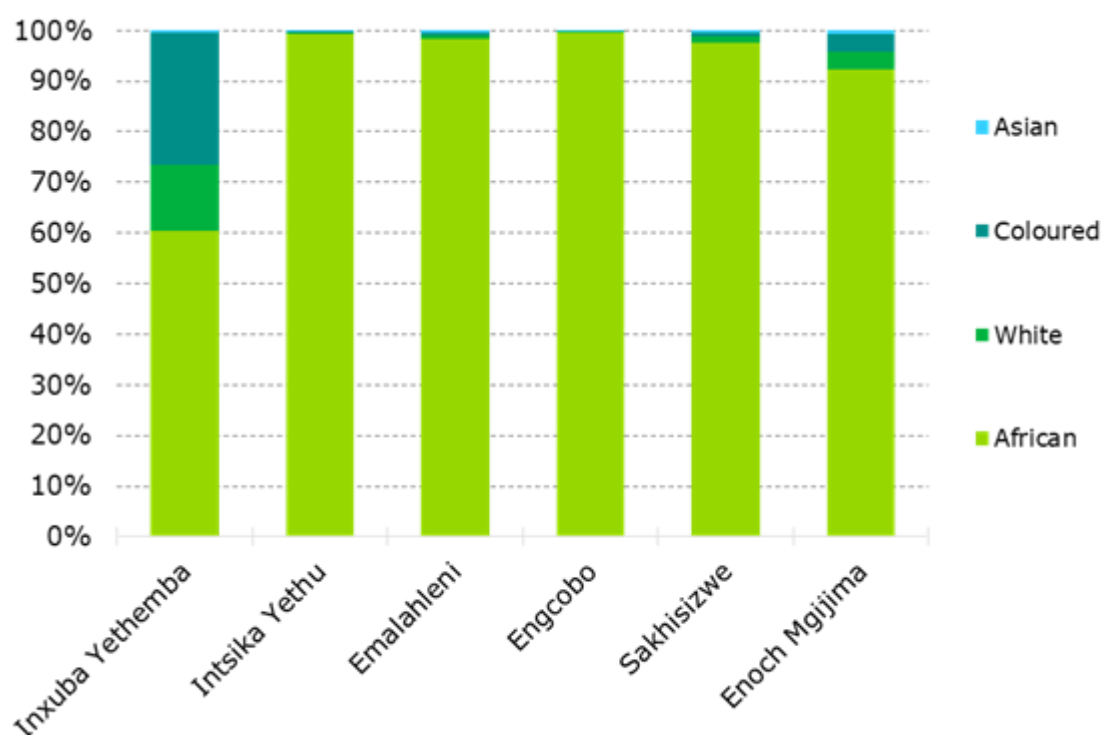


Source: IHS Markit Regional eXplorer version 1479

The composition of the households by population group consists of 93.4% which is ascribed to the African population group with the largest number of households by population group. The Coloured population group had a total composition of 3.7% (ranking second). The White population group had a total composition of 2.5% of the total households. The smallest population group by households is the Asian population group with only 0.4% in 2017.

The growth in the number of African headed households was on average 1.52% per annum between 2007 and 2017, which translates in the number of households increasing by 30 000 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2007 and 2017 at 12.42%. The average annual growth rate in the number of households for all the other population groups has increased with 1.43%.

**Number of households by population group - local municipalities of Chris Hani District Municipality, 2017 [percentage]**



Source: IHS Markit Regional eXplorer version 1479

## 1.4 ECONOMIC OVERVIEW

### 1.4.1 Number of Households by Income category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2, 400 per annum and go up to R2 400,000 per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

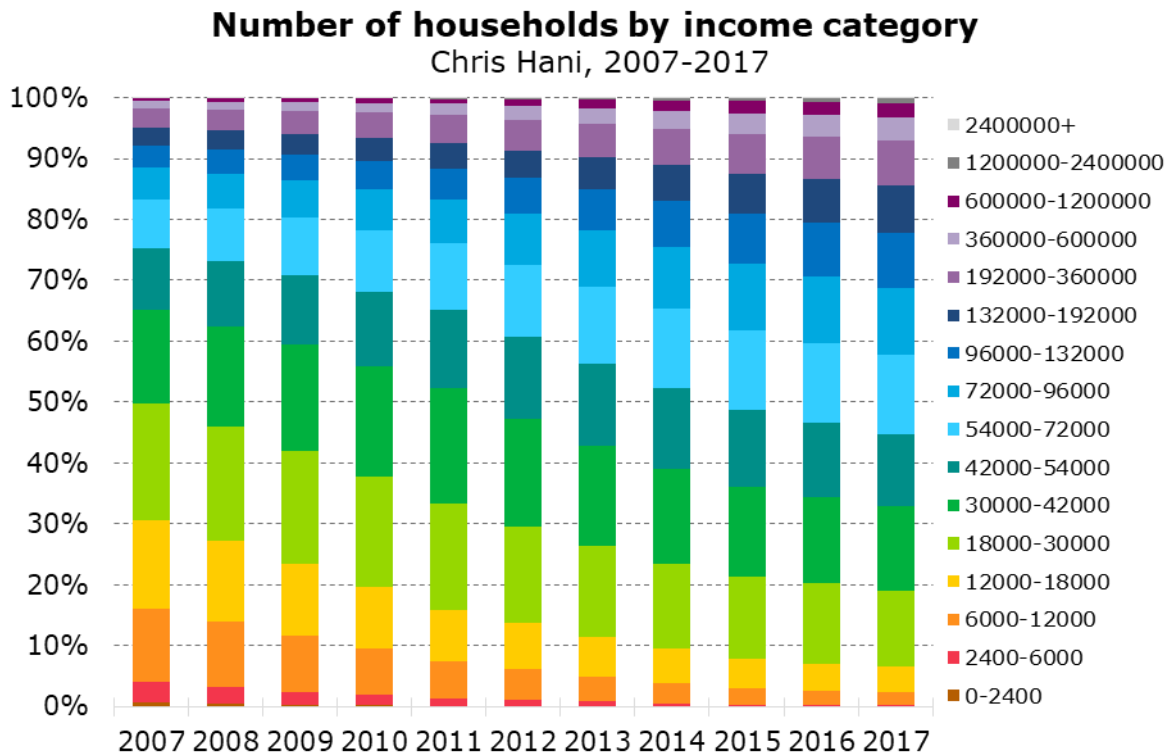
**Table 8: Households by income category - Chris Hani, Eastern Cape and National Total, 2017 [Number / Percentage]**

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
0-2400	29	226	1,650	12.6%	1.73%
2400-6000	516	4,330	32,500	11.9%	1.59%
6000-12000	4,800	40,400	315,000	11.9%	1.52%
12000-18000	9,580	79,600	626,000	12.0%	1.53%
18000-30000	28,900	233,000	1,730,000	12.4%	1.67%
30000-42000	31,700	242,000	1,750,000	13.1%	1.82%
42000-54000	27,200	207,000	1,550,000	13.2%	1.76%
54000-72000	29,900	223,000	1,670,000	13.4%	1.79%
72000-96000	25,300	188,000	1,520,000	13.4%	1.66%
96000-132000	21,200	162,000	1,430,000	13.1%	1.48%
132000-192000	17,500	142,000	1,370,000	12.3%	1.28%
192000-360000	17,200	159,000	1,760,000	10.8%	0.98%
360000-600000	8,580	90,900	1,160,000	9.4%	0.74%
600000-1200000	5,490	61,900	840,000	8.9%	0.65%
1200000-2400000	1,800	19,300	266,000	9.3%	0.68%
2400000+	258	2,830	42,000	9.1%	0.61%
<b>Total</b>	<b>230,000</b>	<b>1,860,000</b>	<b>16,100,000</b>	<b>12.4%</b>	<b>1.43%</b>

Source: IHS Markit Regional eXplorer version 1479

It was estimated that in 2017 19.06% of all the households in the Chris Hani District Municipality, were living on R30, 000 or less per annum. In comparison with 2007's 49.69%, the number is about half. The 30000-42000 income category has the highest number of households with a total number of 31 700, followed by the 54000-72000 income category with 29 900 households. Only 28 households fall within the 0-2400 income category.

#### Households by income bracket - Chris Hani District Municipality, 2007-2017 [Percentage]



Source: IHS Markit Regional eXplorer version 1479



For the period 2007 to 2017 the number of households earning more than R30, 000 per annum has increased from 50.31% to 80.94%. The number of households with income equal to or lower than R6, 000 per year has decreased by a significant amount.

#### 1.4.2 Annual Total Personal Income

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of several economic trends. It is also a good marker of growth as well as consumer tendencies.

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been considered.

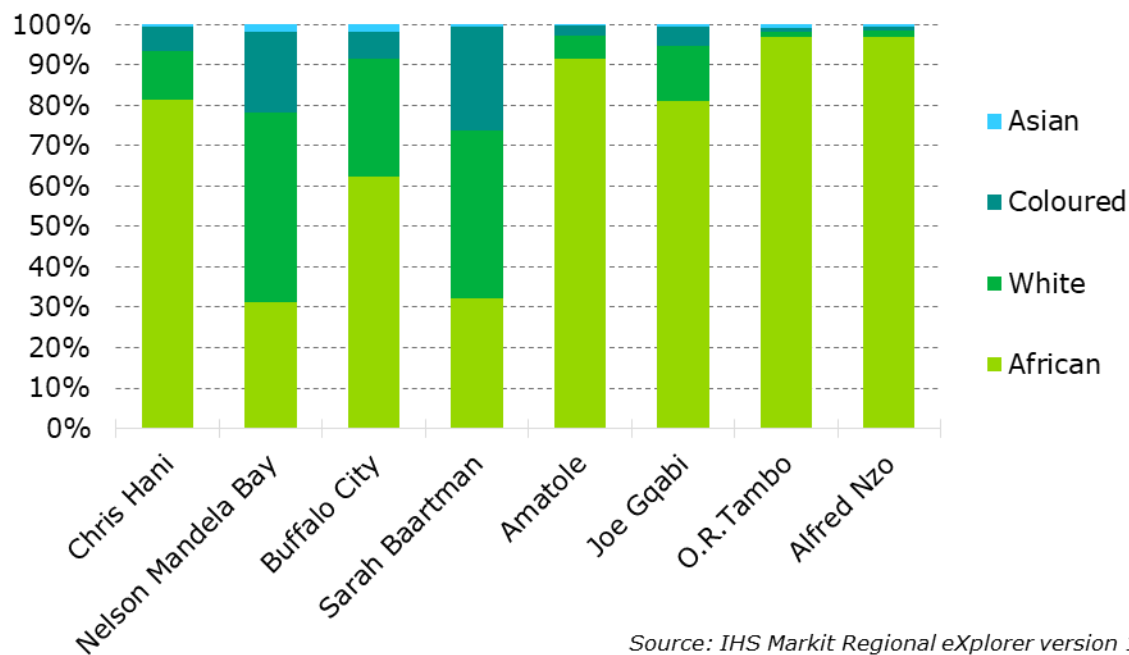
**Table 9: Annual total personal income – Chris Hani, Eastern Cape and National Total [Current Prices, R billions]**

	Chris Hani	Eastern Cape	National Total
2007	11.6	120.6	1,432.2
2008	12.9	133.8	1,587.9
2009	14.0	143.0	1,695.1
2010	15.0	153.9	1,843.3
2011	16.4	168.0	2,033.0
2012	18.4	187.7	2,226.5
2013	20.4	204.8	2,412.1
2014	22.4	219.9	2,590.6
2015	24.8	238.8	2,778.6
2016	27.3	258.8	3,009.7
2017	30.6	285.6	3,238.9
<b>Average Annual growth</b>			
2007-2017	<b>10.22%</b>	<b>9.00%</b>	<b>8.50%</b>

*Source: IHS Markit Regional eXplorer version 1479*

Chris Hani District Municipality recorded an average annual growth rate of 10.22% (from R 11.6 billion to R 30.6 billion) from 2007 to 2017, which is more than both Eastern Cape's (9.00%) as well as South Africa's (8.50%) average annual growth rates.

### Annual total personal income by population group - Chris Hani and the rest of Eastern Cape [Current Prices, R billions]



Source: IHS Markit Regional eXplorer version 1479

The total personal income of Chris Hani District Municipality amounted to approximately R 30.6 billion in 2017. The African population group earned R 24.9 billion, or 81.31% of total personal income, while the White population group earned R 3.7 billion, or 12.10% of the total personal income. The Coloured and the Asian population groups only had a share of 5.91% and 0.69% of total personal income respectively.

**Table 10: Annual total personal income - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local Municipalities [Current Prices, R billions]**

	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe	Enoch Mgijima
2007	1.66	1.69	1.25	1.64	0.92	4.40
2008	1.85	1.89	1.42	1.83	1.01	4.94
2009	1.98	2.03	1.54	1.98	1.08	5.35
2010	2.14	2.17	1.66	2.12	1.15	5.80
2011	2.33	2.34	1.80	2.30	1.24	6.37
2012	2.63	2.61	2.01	2.58	1.39	7.17
2013	2.94	2.88	2.24	2.85	1.52	7.92
2014	3.24	3.18	2.48	3.13	1.67	8.67
2015	3.55	3.54	2.76	3.47	1.84	9.59
2016	3.88	3.93	3.09	3.84	2.02	10.59
2017	4.40	4.49	3.53	4.36	2.30	11.52
<b>Average Annual growth</b>						
2007-2017	<b>10.21%</b>	<b>10.28%</b>	<b>10.89%</b>	<b>10.29%</b>	<b>9.61%</b>	<b>10.10%</b>

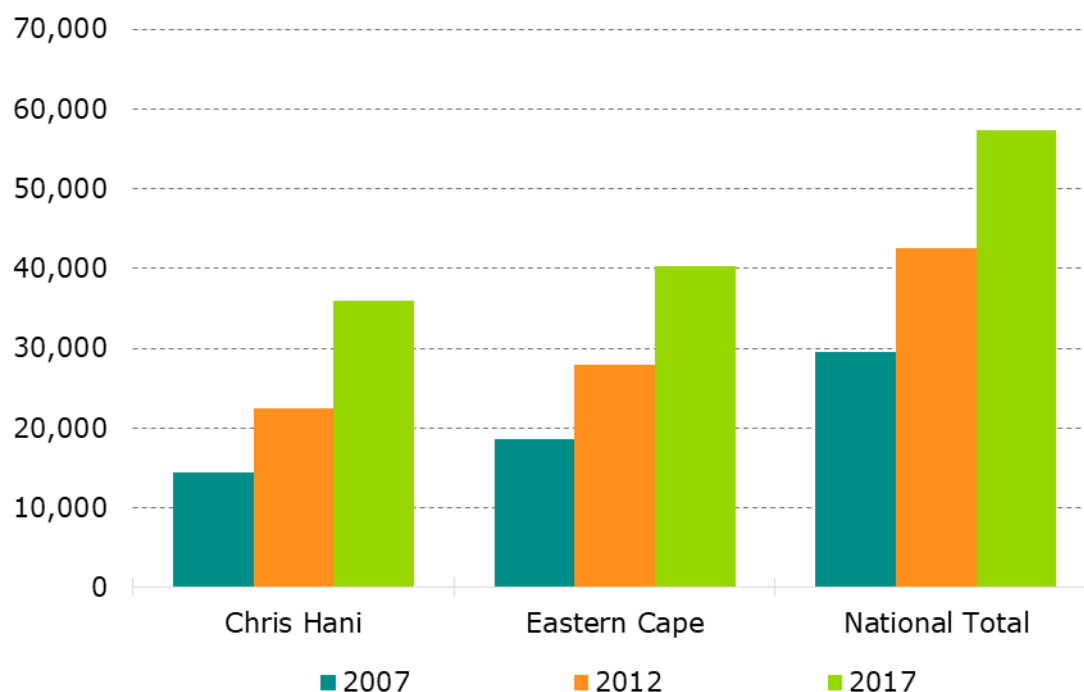
Source: IHS Markit Regional eXplorer version 1479

When looking at the annual total personal income for the regions within Eastern Cape Province the Enoch Mgijima Local Municipality had the highest total personal income with R 11.5 billion which increased from R 4.4 billion recorded in 2007. The Sakhisizwe Local Municipality had the lowest total personal income of R 2.3 billion in 2017, this increased from R 918 million in 2007.

### 1.4.3 Annual per Capita Income

Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population. Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

#### Per capita income - Chris Hani, Eastern Cape and National Total, 2017 [Rand, current prices]



Source: IHS Markit Regional eXplorer version 1479

The per capita income in Chris Hani District Municipality is R 36,000 and is lower than both the National Total (R 57,300) and of the Eastern Cape Province (R 40,300) per capita income.

**Table 11: Per capita income by population group - Chris Hani and the rest of Eastern Cape Province, 2017 [Rand, current prices]**

	African	White	Coloured	Asian
Chris Hani	31,200	236,000	53,700	94,400
Nelson Mandela Bay	29,700	226,000	52,100	120,000
Buffalo City	40,900	252,000	67,000	138,000
Sarah Baartman	31,800	230,000	42,900	85,800
Amatole	30,200	217,000	46,600	80,700
Joe Gqabi	32,500	243,000	54,800	N/A
O.R.Tambo	25,500	168,000	64,200	81,200
Alfred Nzo	22,500	153,000	50,800	71,100

Source: IHS Markit Regional eXplorer version 1479

In Chris Hani District Municipality, the White population group has the highest per capita income, with R 236,000, relative to the other population groups. The population group with the second highest per capita income within Chris Hani District Municipality is the Asian population group (R 94,400), where the Coloured and the African population groups had a per capita income of R 53,700 and R 31,200 respectively.

## 1.5 SERVICE DELIVERY OVERVIEW

In terms of structural arrangements of CHDM three of the six directorates deal directly with service delivery, viz: **Engineering, Health and Community Services and Integrated Planning and Economic Development (IPED)**. The other remaining three directorates are support departments which essentially ensures that the municipality is able to deliver on its mandate. These are; Corporate Services, Strategic Services and Budget and Treasury Office (BTO).

### 1.5.1 Engineering Services Directorate

This directorate is mandated to ensure the roll-out of water and sanitation infrastructure development projects and water services provision within its six local municipalities. Its main focus areas are as follows:

- Planning of future water and sanitation infrastructure
- Implementation of water and sanitation of projects including project management and monitoring
- Provision of water and sanitation across the district
- Maximising employment opportunities through Expanded Public Works Programme (EPWP)

Various projects were initiated within the directorate and a number of these are in the pipeline while some have been completed. These projects which are aimed at addressing water services backlog, ensuring quality drinking water through refurbishment of water and waste water treatment works amongst others.

With regards to water schemes and the provision of water infrastructure, the growth in terms of human settlements and limited water sources in the district make the provision of sufficient access to water and sanitation challenging. The vast distances and small catchment areas are major obstacles to the achievement of economies of scale. Drought has also proven to be a major contributor to challenges relating to water provision in the district.

In terms of the current state of water treatment plants in the CHDM, the following can be revealed:

- CHDM currently has 24 water treatment plants across the district with at least a few within each local municipality including supply systems (boreholes) which are also chlorinated.
- The western half of the district is characterised with vast distances between towns and only a few settlements which are mostly provided with services on or above RDP level.
- The majority of the eastern sections show that they are mostly on or below RDP level.
- A number of settlements within Intsika Yethu and Engcobo remain unserved.

The proportion of households with access to basic services can be summarized as follows:

**Table 12: Proportion of Households with minimum level of Basic services**

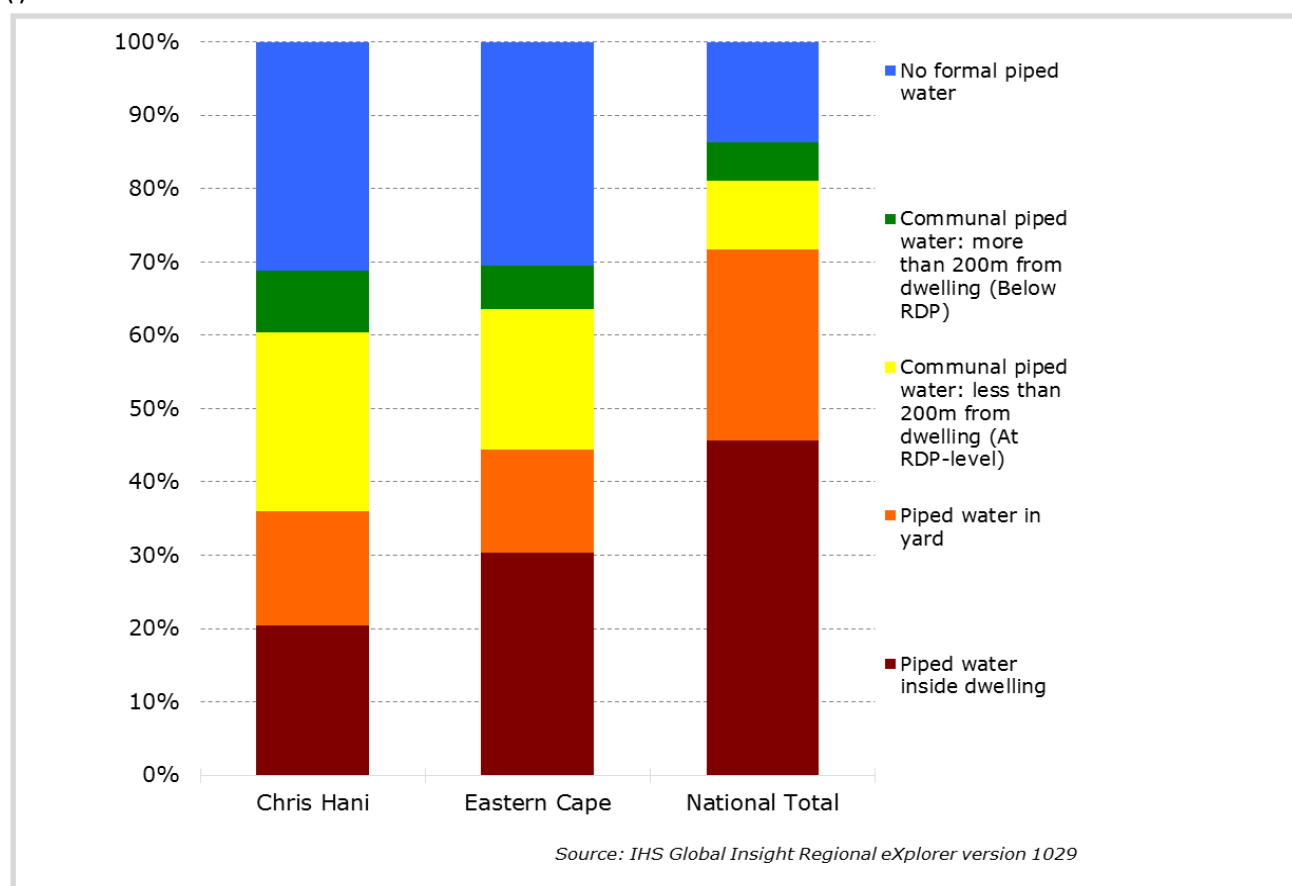
Proportion of Households with minimum level of Basic services				
	2015/2016	2016/2017	2017/2018	2018/2019
Electricity - service connections			89%	
Water - available within 200 m from dwelling			67%	69%
Sanitation - Households with at least VIP service			69%	76%
Waste collection - kerbside collection once a week			44%	

Basic service delivery in the Chris Hani District Municipality can further be described as follows:

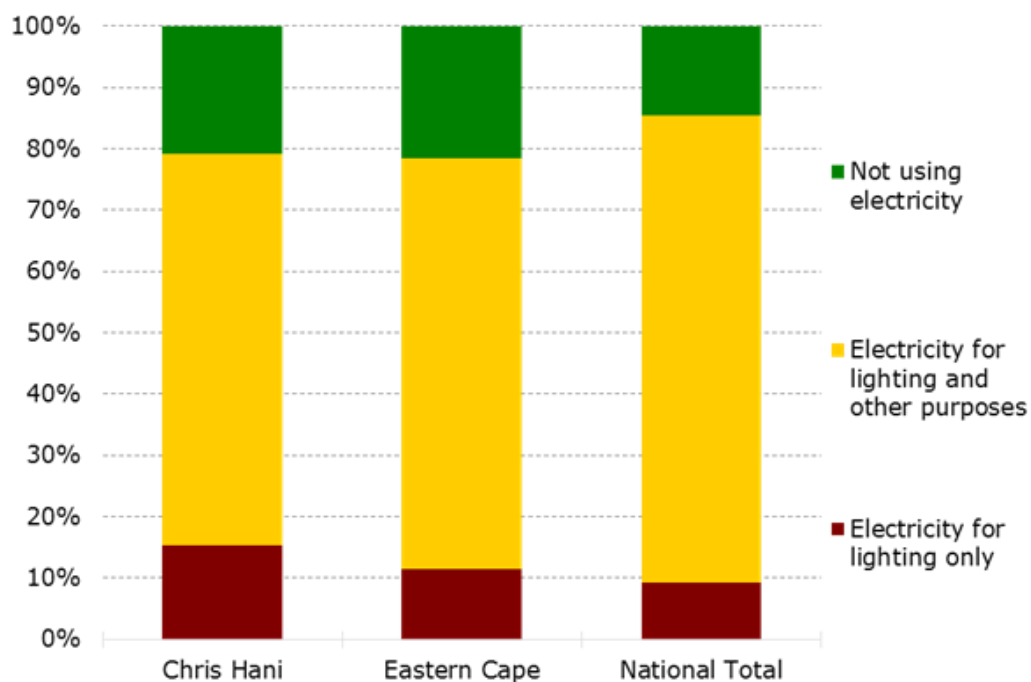
#### PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

The proportion of households with access to basic services in Chris Hani District Municipalities are indicated in the following tables for water, sanitation, electricity and refuse services.

##### (i) Water

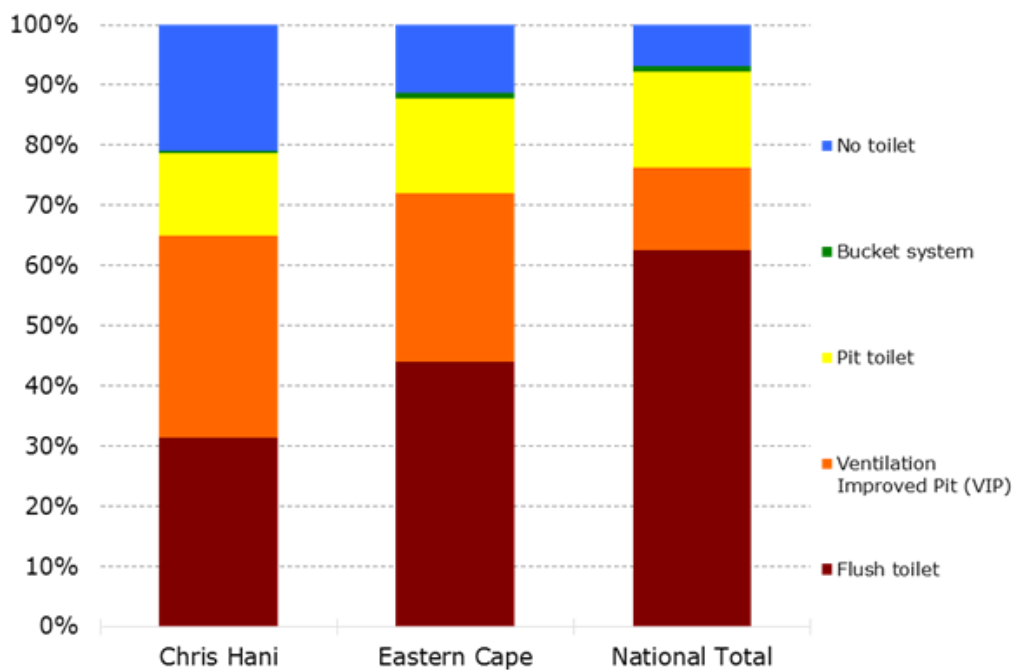


(ii) Electricity



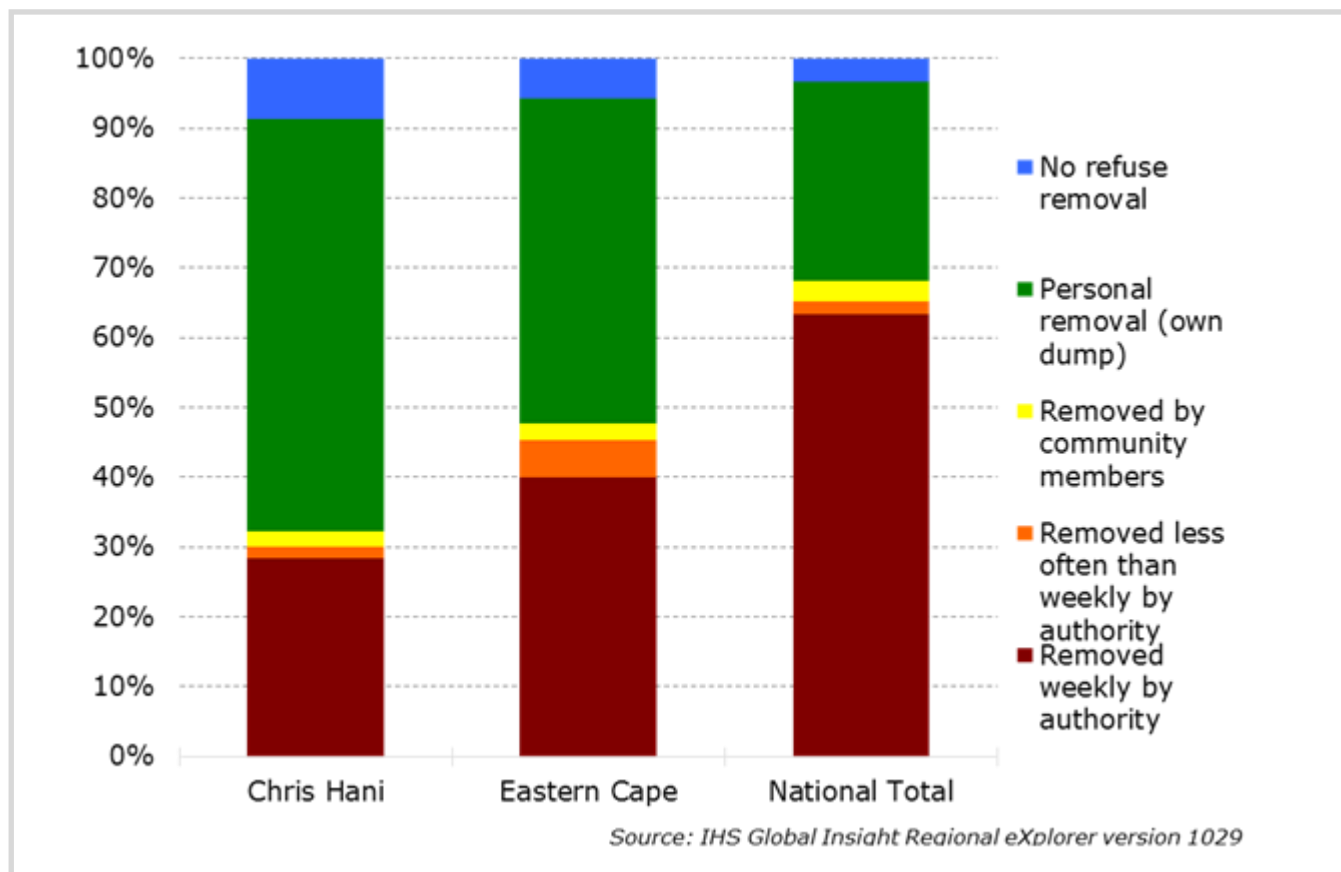
Source: IHS Global Insight Regional eXplorer version 1029

(iii) Sanitation



Source: IHS Global Insight Regional eXplorer version 1029

#### (iv) Refuse Removal



#### 1.5.2 Health and Community Services

Schedule 4 Part B of the SA Constitution and relevant legislative requirements clearly outlines some of the functions of the district related to the Municipal Health Services. These functions vary from *Water Quality monitoring, Food Control Monitoring, Waste Management and General Hygiene Management, Health Surveillance of Premises, Environmental Pollution Control to Disposal of the Dead in respect to funeral parlour inspections, pauper burials and exhumations.*

In executing our responsibility in this regard, we made all strides in ensuring that water provided to communities is safe for human consumption and adequate for domestic use as well as recreational, industrial, food production and any other human or animal use.

**Water monitoring** was conducted to ensure that we are able to detect chemical/bacteriological contamination and advice on control measures for prevention of any diseases that may be water related.

In ensuring compliance with related legislation for the prevention and abatement of any condition on any **food premises** which are likely to constitute a health hazard, a number of food premises were evaluated in this regard. Food samples were taken and analysed throughout this period to ensure quality of all food for human consumption and optimal hygiene control throughout the food supply chain in line with Regulation 962 and Regulation 1555 under Foodstuffs, Cosmetics Disinfectants Act (Act 54 of 1972).

As part of CHDM **Waste Management** programmes, Local Municipalities were advised on proper waste management practices to ensure alignment with the Integrated Waste Management Plan (IWMP) as detailed in the Waste Management Act. Local municipalities have also been supported through **clearing and rehabilitating illegal dumping sites** to ensure a conducive healthy environment. CHDM has successfully developed a Climate Change Response Strategy while the process of developing the Air Quality Management Plan is still underway.

### 1.5.3 Intergrated Planning and Economic Development (IPED)

The Intergrated Planning and Economic Development Directorate (IPED) has a responsibility of planning for the district as a whole. This Planning function is multidimensional focusing on Spatial Planning, Development Planning as well Economic Planning and Development. In implementing these programmes the directorate seeks to ensure both the fulfilment of Council plans and further extricate the masses from the morass of poverty, unemployment and inequality.

To discharge this critically important function, the directorate is made up of various sub units, namely: *Integrated Development Planning, Town Planning services, Housing development, Agricultural development, Forestry and related sector development, Tourism Development and Marketing, and Business development.*

As part of CHDMs decisive intervention in the economy, the following initiatives were undertaken:

- Poverty alleviation programmes focusing in Poultry and Piggery in some of the local municipalities,
- Livestock Improvement Programme with a specific focus on Inoculation and dosing of animals, Construction of shearing sheds.
- A noticeable dent in the farming industry was made as a support to Irrigation schemes rooted out joblessness in many parts of the district.
- An array of projects and programmes to boost and exploit the **tourism** potential of the Chris Hani District municipality were initiated, these includes Jazz Festival, Chris Hani Month, Choral Music Association Support, Sabalele Multi-Purpose Centre, Tourism and Heritage Month Events, Institutional Support for Tourism Development, Tourism SMME Support and destination marketing.

### 1.6 FINANCIAL HEALTH OVERVIEW

The financial sustainability of the Chris Hani District Municipality are described in the tables below:

**Table 13: CHDM Financial Overview**

Financial Overview: 2018/2019			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	1,072,244,000	1,234,076,908	915,107,681.00
Other	337,172,015	299,683,015	380,564,345.00
Sub Total	1,409,416,015	1,533,759,923	1,295,672,026.00
Less: Expenditure	1,897,135	1,896,368	1,512,560,531.00
Net Total*	1,407,518,880	1,531,863,555	-216,888,505.00
* Note: surplus/(defecit)			T 1.4.2

### 1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW

Chapter 7 Section 51 of the Municipal Systems Act 32 of 2000, mandates the Municipality to establish and organise its administration in a manner that would enable the municipality to be responsive to the needs of the local community. Furthermore, Section 67(1) of the MSA compels the Municipality to develop and adopt appropriate systems and procedures to ensure a fair, efficient effective and transparent personnel administration.

The strategic objective of the directorate is to establish and maintain a skilled, healthy labour force guided by relevant policies, systems procedures that are geared towards realising the needs of communities. Municipal transformation and organisational development is key to service delivery, hence much emphasis is on the implementation of Batho Pele principles in all municipal



structures, systems, procedures, policies and strategies. During the year under review, the Chris Hani District Municipality completed the following to achieve the strategic objective: The municipal organogramme for the 2018/2019 Financial Year has been tabled to Council where the operational structure was noted as informed by objectives of the municipality. The document is however due for review in the 2019/2020 financial year.

Municipalities are required to establish mechanisms for monitoring and reviewing of their Performance Management System furthermore to ensure monitoring, measuring and evaluating performance of staff in line with Chapter 6 and Chapter 7 of the Municipal Systems Act of 2000, respectively. The CHDM council adopted the Performance Management Framework for the period under review subsequent engagements with all affected stakeholders.

An institutional Workplace Skills Development Plan developed in terms of the Skills Development Act (1998), was completed and implemented during the financial year under review. Two hundred and sixty three (263) employees have received training at a cost of R1 494 744.00 during the year under review. A total of fifteen (15) training programmes were implemented.

The municipality also implemented a number of skills development related programmes, including:

An internship programme which resulted in the following:

Currently there are forty four interns left out of fifty four (54) interns that were engaged on a two-year internship programme starting in September 2017, December 2017 and March 2018. Their contract for the internships will end on 30 September 2019, 31<sup>st</sup> December 2019 and 30 April 2020 respectively.

- Thirteen (13) students received experiential training for a duration of 18 months as part of their curriculum. in the fields of water and waste water reticulation and environmental health

Fifteen employees have benefited from study assistance programme which resulted in the following:

- Within the year under review a total of fifteen (15) employees have received assistance to further their studies in the following fields:
  - ✓ Finance
  - ✓ Engineering
  - ✓ Disaster
  - ✓ Forestry
  - ✓ Administration
  - ✓ Labour Relations

## 1.8 REPORT OF THE AUDITOR GENERAL

Chris Hani District Municipality was subjected to an intensive audit process by the Auditor General in terms of the Public Audit Act 25 of 2004. This process as required by the legislation, in the main seeks to assess the state of finances of the municipality as well as matters relating to internal controls, governance and pre determined objectives. Currently the opinion of the Auditor General is based on the audit of finances. For the previous financial years the municipality has regressed to a Disclaimer Opinion as the table demonstrates.

**Table 14: Audit Record**

Financial Year	Unqualified	Qualified	Adverse	Disclaimer
2018/2019				√
2017/2018		√		
2016/2017		√		
2015/2016		√		

### 1.8.1 BASIS FOR THE DISCLAIMER OF OPINION

- Property Plant and Equipments
- Revenue from exchange transactions
- Receivables from exchange transactions
- VAT receivables
- Unspent Conditional Grants and Receipts
- Payables from exchange transactions
- Cash and Cash equivalents
- Cash flow Statement
- Water Distribution losses
- Irregular expenditure
- Corresponding Figures

In terms of a disclaimer, the accounts of the municipality were too deficient in essential detail for the Auditor General to form an opinion as the financial viability or rectitude of the municipality

## 1.9 STATUTORY ANNUAL REPORT PROCESS

In terms of the Local Government Municipal Finance Management Act (MFMA) No 56 of 2003, Section 121, the Council of a Municipality must within nine months after the end of the financial year deal with Annual Report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with Section 129 of the MFMA. The table below demonstrates the process the municipality followed in the preparation of the Annual Report for Adoption by Council.

**Table 15: Annual Report Process**

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. In-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft previous financial year Annual Report and evidence to Internal Audit and the Auditor-General including annual financial statements and non financial information	August
5	Municipal entities submit draft annual reports to MM	
6	Performance Audit Committee considers draft Annual Report of municipality	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	September - October
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
10	Municipalities receive and start to address the Auditor General's comments	November
11	Executive Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	January
12	Audited Annual Report is made public and representation is invited	February
13	Oversight Committee assesses Annual Report	February - March
14	Council adopts Oversight report	March
15	Oversight report is made public within seven days of its adoption	April
16	Oversight report is submitted to Legislatures, Treasuries and Cogta	



## CHAPTER 2 – GOVERNANCE

### COMPONENT A:

#### 2.1. GOVERNANCE STRUCTURES

The Chris Hani District Municipality was established in terms of provisions contained in chapter 1 of the Local Government Structures Act, 17 of 1998 (MSA). As per the aforesaid provisions, CHDM is a category C municipality (district municipality) and as such the district utilises the Mayoral Executive System. In this type of system the exercise of executive authority is through the Executive Mayor, in whom the executive leadership of the municipality is vested. The Executive Mayor is assisted by a Mayoral Committee which chairs section 80 committees referred to as Standing Committees namely;

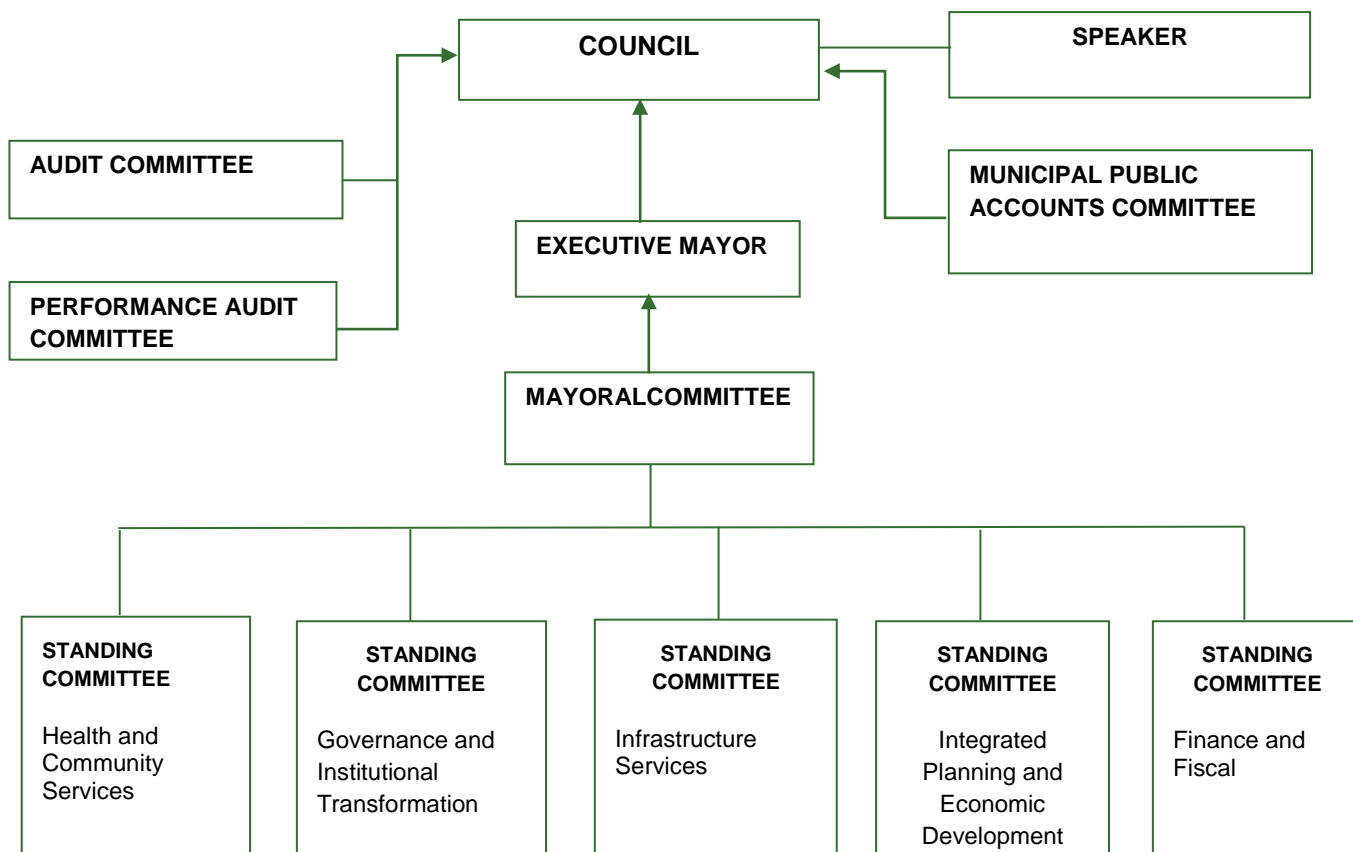
- Finance and Fiscal
- Health and Community Services
- Infrastructure
- Governance and Institutional Transformation
- Integrated Planning and Economic Development.

The Council of CHDM has various Section 79 committees, namely;

- Municipal Public Accounts Committee [MPAC]
- Women's Caucus,
- Rules and Ethics Committee and
- Whippers

All the above committees are chaired by a Councillor elected from within Council. Independent oversight bodies namely; Audit Committee, Performance Audit Committee and Risk Management Committee which are established in terms of Section 166 of the Municipal Finance Management Act were also appointed by Council. Sitzings of Council meetings are chaired by the Speaker of Council whose responsibility also includes convening and presiding over such meetings. The Political structure of the CHDM can be illustrated as per the diagram below.

**Diagram 1 : Council Political Structure**



## 2.1.1 POLITICAL GOVERNANCE STRUCTURE

As would be reflective in other spheres of government, the Council of the Chris Hani District Municipality is the legislative component of the municipal governance. It is in this structure that local laws are promulgated, decisions around the direction of development for the district are taken, and is the body charged with overseeing the operations of the municipality such that they adhere to the democratic principles as enshrined in the South African Constitution. Membership to Council is through the electoral process of the country where there are Councillors directly elected and become full time Councillors of the Council, as well as Councillors that are elected to represent their local municipalities in the district Council. Currently, the Council of CHDM is made up of 42 Councillors, 17 of which are on Proportional Representation (PR) and 25 direct representatives from local municipalities within the District. Eight of the PR Councillors are members of the Mayoral Committee. The district is currently sitting with 2 vacancies from municipal representatives from Sakhisizwe and Enoch Mgijima after the resignation of Councillors Siyabulela Nxosi and Nokuzola Tolashe as municipal reps of the two respective municipalities and await the Independent Electoral Commission to declare elected reps.

During the period under review, the section 12 notice was amended and the position of Deputy Executive Mayor was created, wherein, Councillor Wongama Gela was elected as the new Deputy Executive Mayor. New members were elected as part of the Mayoral Committee following 5 resignations from the former, Executive Mayor, Councillor Kholiswa Vimbayo; Portfolio Head for Engineering services, Councillor Siyabulela Zangqa, Portfolio Head for Governance and Institutional Transformation, Councillor Ntombizanele Koni, Portfolio Head for Health and Community Services, Councillor Noncedo September-Caba and Deputy Executive Mayor Councillor Wongama Gela. Vacancies were declared with the Independent Electoral Committee and the parties concerned followed the process of replacement. New members sworn in are: Councillor Wongama Gela as the Executive Mayor, Councillor Bongiwe Tyhali as Portfolio head for Engineering services, Councillor Siyabulela Nxosi Portfolio Head for Governance and Institutional Transformation, Councillor Noncedo September-Caba as Deputy Executive Mayor. Councillor Madoda Papiyana is the Chief Whip, replacing Councillor Bongiwe G. Van Heerden and Councillor Thumeka Bikwana is the Municipal Public Accounts Chairperson replacing Councillor Wongama Gela. Councillor Yanga Zicina, is the new addition replacing Councillor Kholiswa Vimbayo in the District Council.

### 2.1.1.1 COMPOSITION OF COUNCIL

The table below depicts the composition of Council in terms of party representation of the Proportional Representatives (PR) Councillors:

**Table 16: Composition of Council**

POLITICAL PARTY	NUMBER	GENDER DISTRIBUTION
ANC	13	7 MALES 6 FEMALES
DA	2	2 MALES
UDM	1	1 MALE
AIC	1	1 MALE
EFF	1	1 FEMALE
TOTAL	17	11 MALES

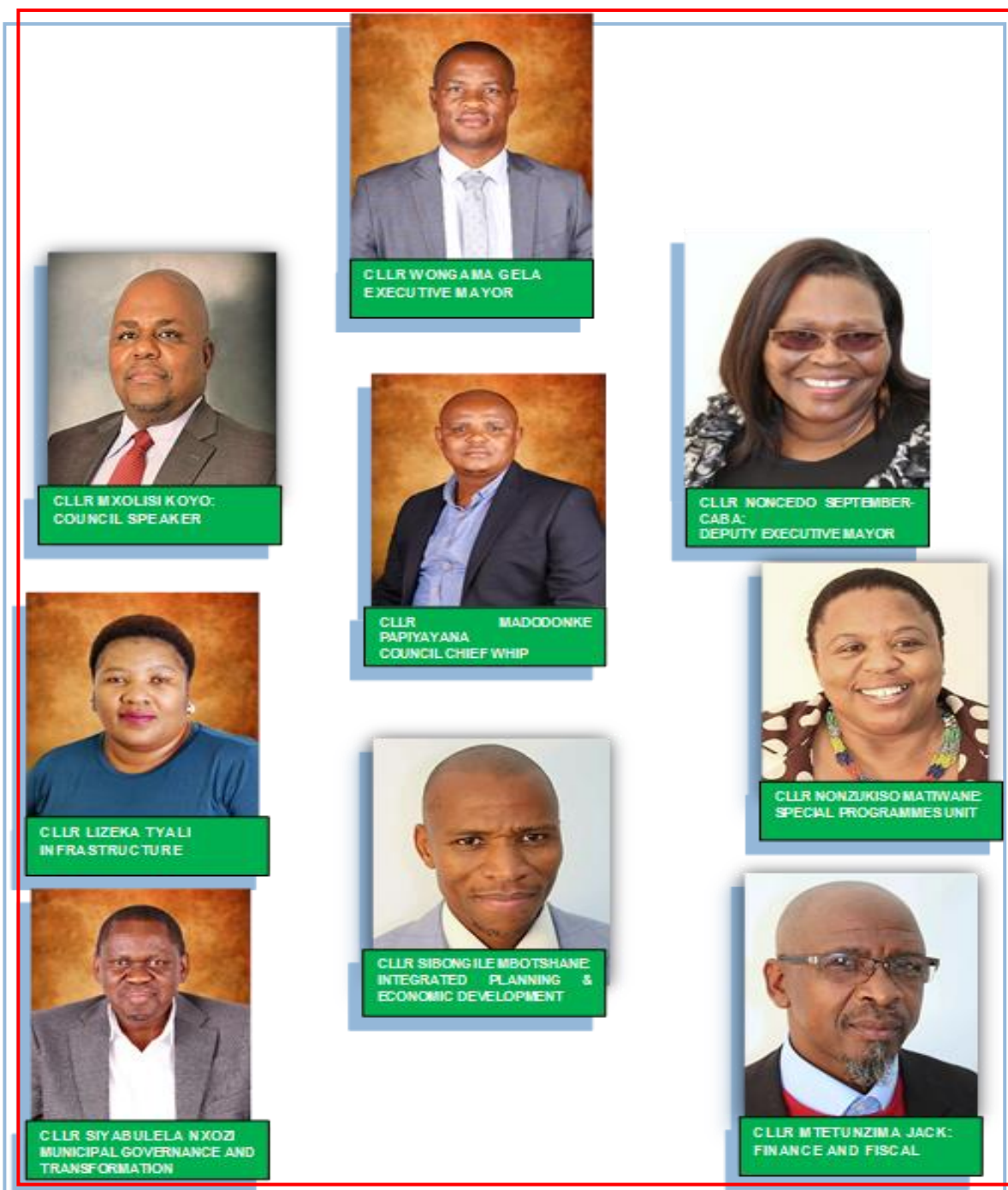
Additionally, the table below represents the composition of Council, inclusive of the 25 Councillors representing local municipalities:

**Table 17: Party Demographic Distribution**

COUNCIL COMPOSITION	NO OF COUNCILLORS	GENDER DISTRIBUTION	
		MALE	FEMALE
Councillors	40 (2 vacancies)	22	18
Traditional leaders	8	7	1

Further information on Councillors is provided in Appendix A

### 2.1.1.2 POLITICAL STRUCTURE OF COUNCIL IN PHOTOS



### 2.1.1.3 POLITICAL DECISION-TAKING

In accordance with Section 60 of Municipal Structures Act No. 117 of 1998, the Executive Mayor appointed a Mayoral Committee. Specific responsibilities including presiding over specific Portfolio Committees being assisted by Councillors deployed to each portfolio committees has been delegated to each Portfolio Head. For the meeting to quorate 50 + 1 Councillors must be present for the meeting to proceed.

Portfolio Committees recommend to the Mayoral Committee presided over by the Executive Mayor and in his absence further delegates such responsibility to the Deputy Executive Mayor who was sworn in during the financial year under review. The Executive Mayor has delegations to resolve on issues assisted by the Mayoral Committee members, however there are matters that the Executive Mayor cannot resolve and only the Council can ratify/ approve such e.g. passing of Policies, By – Laws and Budget.

Council meetings are convened quarterly, over and above this, Special Council meetings are convened when need arises. The Mayoral Committee meetings are convened monthly.

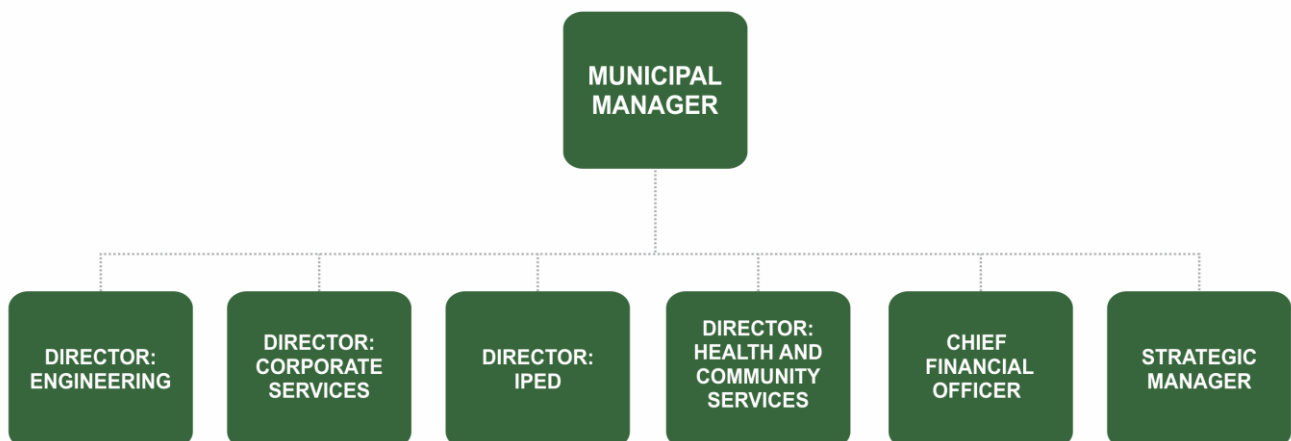
The institution has developed a resolution register for the Mayoral and Council meetings with a view to monitoring implementation of Council resolutions as well as easy access to information when requests for access to information is submitted by citizens.

The accounting officer reports on progress on the implementation of resolutions taken by Council. The report also informs the Council of any reasons of non- implementation should there be any resolution not yet implemented and the action is accordingly provided to address the delays.

### 2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Head of the administration and Accounting Officer as defined in the Municipal Systems Act 32 of 2000. The responsibilities of the Municipal Manager include managing the administrative and financial affairs of the municipality and to ensure that municipal services are delivered in an efficient, effective and economical manner. With his complement of directors appointed in terms of Section 56 of the MSA, the Municipal Manager determines the pace of development within the municipal area as per Council directives. Each director is responsible for their area of expertise. From time to time, an Executive Management meeting is held where the Municipal Manager engages the directors on various matters that affect service delivery. The diagram below illustrates the high-level administrative structure:

*Diagram 2: Top Administrative Structure*





## COMPONENT B:

### 2.2 INTERGOVERNMENTAL RELATIONS

Chapter 3 of the Constitution (1996) describes the three spheres of government (National, Provincial and Local) as being 'distinctive, interdependent and interrelated' and enjoins them to 'cooperate with one another in mutual trust and good faith'. An important element of this cooperative relationship is that there needs to be a clear understanding of each sphere of government's powers and functions to ensure that a sphere of government or organ of state 'does not encroach on the geographical, functional or institutional integrity of government in another sphere'. In addition to the Constitution, various pieces of legislation governs or organises the system of intergovernmental relations. Among other things, the legislation formalises the different spheres' roles and responsibilities with regard to various functions and provides for a range of consultative structures. The South African system of intergovernmental relations is complex and continues to evolve as better modes of cooperation and coordination emerge and as functions are shifted between the spheres. The following key elements and principles underpin the intergovernmental system:

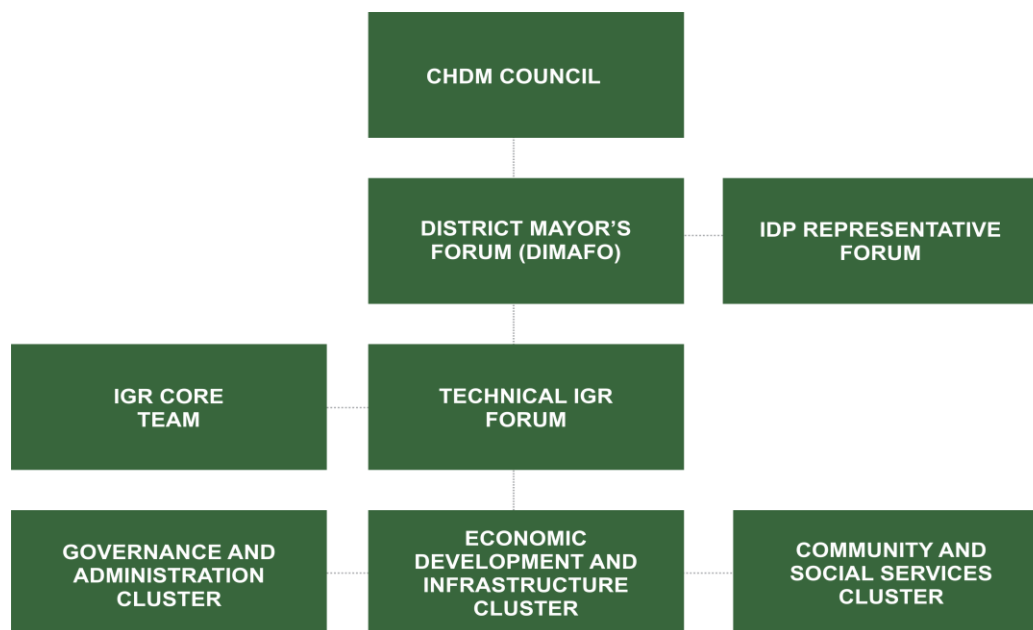
- **Accountability:** Each sphere has specific constitutionally defined powers and responsibilities, is accountable to its legislature or council, and is empowered to set its own priorities. The power of national government to intervene in provincial and local government matters, and provincial governments to intervene in local government matters, depends on whether the relevant sphere fails to carry out an executive obligation.
- **Transparency and good governance:** Accountability of political representatives to the electorate and transparent reporting arrangements within and between spheres is at the heart of the intergovernmental system. While political executives are responsible for policy and outcomes, the accounting officers are responsible for implementation and outputs.
- **Mutual support:** National and provincial governments have a duty to strengthen the capacity of municipalities. Spheres of government must also act cooperatively towards each other, for instance through avoiding legal action until all other mechanisms have been exhausted.
- **Redistribution:** The three spheres all have important roles to play in redistribution, but because inequalities exist across the country, the redistribution of resources is primarily a national function. Where provinces and municipalities undertake redistribution, the challenge is to do this in line with their fiscal capacity and not to undermine economic activity and their financial viability. Redistribution among the three spheres is achieved through the vertical division of revenue. Redistribution among provinces and municipalities is effected through their respective equitable share formulae.
- **Vertical division:** Determining the allocation to each sphere of government inevitably involves trade-offs that are made in the course of a comprehensive budget process driven by political priorities, and which covers all aspects of governance and service delivery. Separate and ad hoc requests for funds fragment the coherence of the budget and undermine the political process of prioritisation.
- **Revenue-sharing:** The fiscal system takes into account the fiscal capacity and functions assigned to each sphere. Provinces and municipalities are funded from own revenues, equitable share allocations, and conditional and unconditional grants. The grant system must be simple and comprehensive and not compensate provinces and municipalities that fail to collect own revenues.
- **Broadened access to services:** The Constitution and current government policy prioritises broadening access to services. The responsible spheres are expected to design appropriate levels of service to meet customer needs in an affordable manner, explore innovative and efficient modes of delivery, and leverage public and private resources to fund infrastructure.
- **Responsibility over budgets:** Each sphere of government has the right to determine its own budget and the responsibility to comply with it. To reduce moral hazard and ensure fairness, national government will not bail out provinces or municipalities that mismanage their funds, nor provide guarantees for loans.

As such, understanding that the delivery of services cannot be the sole mandate of any one sphere of government, the continued cooperation between the spheres of government within the Chris Hani Region have contributed enormously to the question of development in areas such as education, social development, housing and water provisioning.

### 2.2.1 Key Intergovernmental Relations Structures

To effectively engage in intergovernmental matters, the Chris Hani District Municipality established IGR structures that would amongst other things ensure that there is continued engagement, sharing of information and effective decision making. These structures are informed partly by the current arrangements both National and Provincial, but also take into account the contextual realities within the CHDM. The diagram below illustrates the structures currently existing in CHDM and their levels in terms of decision making:

**Diagram 3: Key Intergovernmental Relations Structures**



During the financial year under review, the municipality has made significant strides in as far as operationalising its key IGR instruments. To this effect, the municipality has been actively involved in all National and Provincial IGR programmes. Key amongst these is the maximum attendance of the municipality in Provincial IGR structures such as the Premiers Coordinating Forum (PCF), the MuniMec as well as the Technical MuniMec.

All Executive Mayors and Mayors within the district area of jurisdiction are convened on a quarterly basis to engage on matters of mutual interest under the ambit of the District Mayors Forum (DIMAFO). A Technical IGR led by the Municipal Manager which precedes DIMAFO also provides technical support to the structure for informed decision making on matters of development. During the financial year under review, these structures could not perform to the level expected as few scheduled meetings were convened.

### 2.2.2 RELATIONSHIPS WITH MUNICIPAL ENTITIES

The Chris Hani District Municipality, as a parent municipality over the Chris Hani Development Agency (CHDA), established the entity in terms of the Municipal Systems Act (2000) and Municipal Financial Management Act (2003) in 2012. The Chris Hani Development Agency is governed by a Board of Directors appointed by the Chris Hani District Municipality, with Ms Nokulunga Skeyi at the helm as the Board Chairperson. The CHDA Board is comprised of the following members:

- Ms Nokulunga Skeyi (Chairperson)
- Mr Mafuza Sigabi
- Mr Singa Ngqwala
- Ms. Vuyelwa Matsiliza
- Mr Ronald Ramabulana
- Mr Phumzile Songo
- Ms Fungai Mushohwe

During the period under review, the organisation was led by Mr Thukela Mashologu, as Chief executive Officer, who subsequently resigned in December 2018 of the financial year. Since then, the position of Chief Executive Officer has been vacant and recruitment processes are under way. At the end of June 2019, the organisation was led by Mr Zolile Duze, in an acting capacity as Chief Executive Officer.

In the period under review, the Chris Hani District Municipality entered into a service level agreement (SLA) with the Chris Hani Development Agency, which governed the mandate and key activities of the agency in the 2018-2019 financial year. This SLA formed the basis of budget allocation and performance planning and reporting to the parent municipality during the financial year.

## **COMPONENT C:**

### **2.3 PUBLIC ACCOUNTABILITY AND PARTICIPATION**

Community participation, through appropriate structures, is a fundamental requirement of the Constitution (1996), the Municipal Systems Act (2006), the Municipal Finance Management Act (2003) and all other legislation that is applicable to Local Government in South Africa. CHDM council has institutionalised community participation mechanisms in its affairs to allow communities an opportunity to participate in the decision-making processes of council.

Section 16 of the MSA requires municipalities to complement formal representative government with a system of participatory governance, and must for this purpose, *inter alia*, encourage, and create conditions for the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its integrated development plan, the establishment, implementation and review of its performance management, the monitoring and review of its performance, including the outcomes and impact of such performance and the preparation of its budget. Therefore, in line with this requirement, the centre piece of the public participation ethos of the Chris Hani District Municipality is anchored on the processes related to the preparation and reporting on the implementation of the municipality's Integrated Development Plan (IDP) and Budget each year.

The Annual Report is also published each year for public comment before it is adopted by Council. It is therefore evident that public participation should be promoted in order to achieve, *inter alia*, the following objectives:

- Consult with the community on their developmental challenges;
- Form the basis for people-centred governance and bottom-up planning process;
- Improve the relationship between council and the communities and thereby improve political accountability and transparency;
- Empower communities through information dissemination/assimilation;
- Establish a community feedback programme, which allows local leaders the opportunity to interact with communities on issues of service delivery;
- Provide communities with a platform to influence the developmental trajectory of municipalities and government in general; and
- Provides the municipality with a project/programme evaluation and implementation monitoring feedback mechanism.

During the period under review, the above objectives were fulfilled as the CHDM facilitated public involvement in line with the requirements of Chapter 4 of the Municipal Systems Act. Whilst public participation is the process through which peoples and communities highlight their needs and aspirations, accountability is the end toward which the municipal Council strives. This is to ensure that the authority delegated by communities to the Council is utilised in a manner consistent with the provisions of law and the attainment of the needs of the communities. In the past financial year Council made an effort to account to its communities on the use of authority in relation to the management of financial affairs within the municipality, commitments made by the municipality regarding the service delivery needs of communities (ranging from basic services such as water and sanitation, roads, municipal health services as well as the development of the local economy) and the progress in achieving those, and finally, on matters of good governance.

## **2.3.1 PUBLIC MEETINGS**

### **2.3.1.1 COMMUNICATION, PARTICIPATION AND FORUMS**

The Chris Hani District Municipality undertakes IDP and Budget road shows on an annual basis in all municipalities. In addition, it hosts several public knowledge sharing days on health issues, hygiene, water and sanitation usage, supply chain management, disaster and fire prevention strategies and fire, occupational health and safety, LED, GIS and Planning. In addition to these platforms, the office of the Speaker leads public participation programs for an engaged citizenry; these are, The Moral Regeneration Movement, whose aim is to influence the society towards the charter of positive moral values; the District Initiation Forum led by traditional leaders to respond to, prevent and intervene on the scourge of deaths of initiates in the circumcision program; the Women's Caucus which seeks to strengthen women representation, capacity and voice of women in political and administrative offices and the Civic education program which seeks to educate the electorate on various issues of governance and social programs.

To strengthen the relations with Traditional Leadership the House of Traditional Leadership of the region is a stakeholder that sits on the IDP Representatives Forum. In accordance with the Local Government Municipal Systems Act, the CHDM holds regular Integrated Development Plan (IDP) Representative Forum meetings in drafting its IDP. At the beginning of the planning cycle, advertisements are placed in the local newspapers calling for interested parties to contact the CHDM for registration to become part of the process.

Once the IDP and budget have been drafted and tabled at Council, the CHDM places another advertisement calling for public comments. Copies of the document are lodged at all the Libraries within the district and at Local Municipalities. After this process, the CHDM embarks on IDP and Budget roadshows to the communities at all local municipalities. This is done in conjunction with the support and assistance of the local municipalities who assist the CHDM's officials, through their Ward Councillors, to mobilize the ward community members to attend the roadshow events. The Draft IDP is summarized and presented to communities in English and isiXhosa for comment and discussion. Records of these meetings are kept, and a document is drafted to keep track of the responses and to disseminate to other government departments for follow up and auctioning, where necessary, through intergovernmental forum meetings and the IDP Representative Forum.

Once all the comments and discussions have been taken into consideration towards an amended IDP and Budget, the above process is followed up by a Council Open Day, where members of the local community can attend a Council meeting where they are allowed to participate in proceedings. All comments received from the local community are collated into a document to be considered by council when adopting the IDP.

## 2.3.2 IDP PARTICIPATION AND ALIGNMENT

### 2.3.2.1 2018/2019 CHDM IDP-BUDGET-PMS PROCESS PLAN

**Table 18: IDP/Budget/PMS Process Plan**

	Activities	Timeframe	Responsible Department
A	Preparation phase / Pre-planning		
	Advertise invitation of IDP Stakeholders to Register	July 2018	IPED
	Planners Coordinating Forum- IDP/PMS Managers Session for Alignment of IDP Process Plans	August 2018	IPED
	Technical IGR Meeting	August 2018	MM
	Management Meeting looking into the IDP Framework & IDP/Budget Process Plan	August 2018	MM
	IDP/PMS/Budget Steering Committee meeting to review Implementation progress and prepare for the 2019/2020 IDP Process	August 2018	IPED
	Council Approval of Framework Plan & Process Plans (IDP & Budget)	August 2018	IPED/BTO
	Signing of Performance Agreements by HOD's		MM
	Submission of APR to AG & Treasury	August 2018	MM
	Advertise Adopted IDP/Budget Process Plan	August 2018	IPED
	Presentation of PMS Process Flow to Management		MM
	17/18 Annual Performance Assessment	September 2018	MM
B+C	Analysis Phase / Monitoring and evaluation		
	Assess implementation progress (HODs to present action plans for existing projects and planned completion dates for projects, aligning expenditure with progress), impact of new information/unexpected events, evaluation of achievement with regard to objectives, strategies and projects (per programme), overview of funding available per cluster (both from savings as well as new funding from operating budget and from external funds), possible implications on programmes of additional sector information.	July - October 2018	All Departments Championed by HOD's
	IDP/Budget/PMS Rep Forum	September 2018	IPED
	Quarter 1 Performance reporting (July - Sept)	October 2018	HOD's/MM
	Standing Committees	October 2018	
	1 <sup>ST</sup> Quarter Institutional Performance Report to Mayor	October 2018	MM
	Budget Steering Committee	October 2018	BTO
	Performance Audit Committee on 1 <sup>st</sup> Quarter Report	October 2018	MM

	Activities	Timeframe	Responsible Department
	MPAC: Audit Committee & Performance Audit Reports	October 2018	MM
	Mayoral Committee Meeting	October 2018	MM.
	Council Meeting (Draft Annual Report )	October 2018	MM.
	IDP/PMS/Budget Rep Forum meeting - discuss district priorities	November 2018	IPED
	IDP/PMS/Budget Steering Committee meeting to review Implementation progress and report on gaps identified during the analysis phase	November 2018	IPED
	Technical IGR Meeting	November 2018	MM
	District Mayors Forum	November 2018	MM
	IDP /PMS/Budget Rep Forum	November 2018	IPED
	IDP Phase analysis	December 2018	IPED
	Annual Report Roadshows	December 2018	MM
	Council Meeting	December 2018	MM.
	Quarter 2 Performance reporting HOD's to MM (Oct - Dec))	January 2019	HODs & MM
D	Strategies Phase / Refined objectives, strategies, programmes and projects phase		
	Performance Audit (Draft Annual Report)		MM.
	Budget Steering Chaired by Port Cllr to consider Adjustment Budget	January 2019	BTO
	Mid- Year Performance Report to Mayor	January 2019	MM
	IDP/Budget Steering Committee to approve draft budget allocations (IDP/ Budget link)	January 2019	IPED/BTO
	Mid- Year Performance Assessments of HOD's	January 2019	MM
	Council Meeting (Final 2017/18 Annual Report & Mid -Year Report)	January 2019	MM
	Institutional Strategic planning session. Adopt proposed overall direction of the 2019-2020 IDP - agree on main themes and key strategic objectives and key financial issues. Refine objectives, strategies, programmes and draft projects as necessary for MTEF period	February 2019	IPED/MM
	Mayoral Committee	February 2019	MM
	Technical IGR	February 2019	MM
	DIMAFO	February 2019	MM
	Council Meeting Adopting Adjusted Budget	February 2019	MM
	Identify operating impacts (including staff issues) of proposed projects and ensure that these are included in the operating budget submissions	March-2019	IPED /BTO / Corporate Services
	Budget Steering Committee (Chaired by Portfolio Cllr)	March 2019	MM
	Mayoral Committee Meeting	March 2019	MM

	Activities	Timeframe	Responsible Department
	IDP Rep Forum	March 2019	IPED
	CHDM Council approval of the 2019-2020 Draft IDP & Budget & Submission of Recommendations from Performance Evaluation Panel	March 2019	MM
	Draft IDP and Draft Budget published. Advertise for public comment (21days)	March 2019	IPED
	Quarter 3 Performance reporting by HOD's (Jan - March))	April 2019	HOD's & MM
	Standing Committee	April 2019	MM
	3 <sup>rd</sup> Quarter Institutional Report to Mayor	April 2019	MM
	Departmental SDBIP Engagements	April 2019	MM
	MPAC /Audit Committee	April 2019	
E	Reviewed IDP document (Integration/programme implementation and operational plan)		
	Incorporate relevant comments to the Draft final reviewed IDP	April - May 2019	IPED
	IDP/Budget Steering Committee meeting (implementation and operational plan)	May 2019	IPED
1	IDP/PMS Managers Session	May 2019	IPED
	Mayoral Committee	May 2019	MM
	IDP Rep Forum	May 2019	IPED
	Municipal Wide SDBIP Engagement	May 2019	MM
	Budget Steering Meeting Chaired by Portfolio Cllr	May 2019	BTO
	Technical IGR	May 2019	MM
F	Approval phase		
4	CHDM Council Open Day & Approval of Final 2019-2020 IDP & Budget	May 2019	MM
	DIMAFO	May 2019	MM
	Submission of SDBIP to Exec Mayor for Approval	June 2019	MM
	Mayoral	June 2019	MM
	Approval of SDBIP within 28 days after budget	June 2019	Mayor
	Audit Committee	June 2019	MM
	Stakeholders Engagement on IDP & Budget	June 2019	MM
	Signing of MM and Section 57 Managers Performance Agreements	June 2019	MM
	SDBIP Approved and Performance Agreements signed	June 2019	MM

	Activities	Timeframe	Responsible Department
	MPAC ( 3 <sup>rd</sup> Quarterly report & Sec 52 d)	June 2019	MM
	Council Meeting	June 2019	MM
	Signing of Accountability Agreements by Middle Management	June 2019	MM
4	Quarter 4 Performance reporting (April - June))	July 2019	HOD's & MM
G	Performance Management System		
2	Drafting of Service Delivery and Budget Implementation Plan (SDBIP) 2019-2020	July 2019	MM
6	Publicize SDBIP and Performance Agreements no later than 14 days after approval	July 2019	MM

## COMPONENT D

### 2.4 CORPORATE GOVERNANCE

#### 2.4.1 RISK MANAGEMENT

The realisation of the institutional strategic plans depends on the ability to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable the institution to anticipate and respond to changes in the service delivery environment, as well as to take informed decisions under conditions of uncertainty.

The Chris Hani District Municipality subscribes to the fundamental principles that all resources will be applied economically to ensure:

- The highest standards of service delivery;
- A management system containing the appropriate elements aimed at minimising risks and costs in the interest of all stakeholders;
- Education and training of all staff to ensure continuous improvement in knowledge, skills and capabilities which facilitate consistent conformance to the stakeholders expectations; and
- Maintaining an environment which promotes the right attitude and sensitivity towards internal and external stakeholder satisfaction.

An Enterprise Risk Management (ERM) approach to risk management is adopted by the Chris Hani District Municipality, which means that every key risk in each part of the municipality is included in a structured and systematic process of risk management. It is expected that the risk management processes become embedded into the municipality's systems and processes, ensuring that the responses to risks remain current and dynamic. All risk management efforts are focusing on supporting the municipal objectives. Equally, they must ensure compliance with relevant legislation, and fulfil the expectations of employees, communities and other stakeholders in terms of corporate governance.

The role of the Risk Management function is:

- To ensure an effective and efficient risk management system in the district municipality;
- To advise the council and municipal manager on the strategic risks and operational risks of the district municipality that may impact on the achievement of the strategic objectives;
- Advise the municipal manager and management on alignment of the strategic objectives with the strategic risks and operational risks;
- To coordinate the governance structures through the implementation of the combined assurance model;
- To develop and implement the risk management policy, strategy, and the risk management implementation plan; and



- To provide guidance to the local municipalities on risk management, anti-fraud and corruption;

#### 2.4.1.1 Compliance

The risk management function has the following compliance objectives:

- To render effective and efficient internal controls in the district municipality.
- To provide compliance framework to the district municipality and also provide guidance to the local municipality.
- To enforce compliance on MFMA and other related prescripts.
- To ensure compliance with MFMA, SCM policies, and other National Treasury practice notes on finance and supply chain.

#### 2.4.1.2 Top five (5) Institutional risks

The following top five risks were identified in the risk register for Chris Hani District Municipality:

**Table 19: Top five (5) Institutional risks**

Strategic objective	Risk description	Mitigation measure
To ensure provision of Municipal Health, Environmental Management and Basic Services in a well structured, efficient and integrated manner.	Inability to deliver quality, sufficient water and provide proper sanitation to our communities.	1. Review communication strategy 2. Review and implementation of by-laws 3. Review water conservation and demand management strategy 4. Implementation of operational and maintenance plan 5. Review implementation of master plan 6. Enforce compliance in PMS monitoring and evaluation 7. Strengthen implementation of the procurement plan
	Ageing infrastructure	1. Review and implementation of maintenance plan based on the infrastructure assessment report 2. Prioritization of infrastructure to be refurbished in line with the budget
	Ineffective monitoring of projects	1. Filling of the approved PMU & WSA/ WSP position 2. Increase essential user car scheme & car allowance (present in a management meeting)
To create an Efficient, Effective, Accountable and Performance oriented Administration.	Theft, Fraud and corruption	1. Facilitate the Adoption of whistle blowing policy, investigation policy, fraud prevention policy 2. Facilitation of the fraud risk assessment and development of fraud risk register
To create an Efficient, Effective, Accountable and Performance oriented Administration.	Low revenue collection	1. Finalisation of the inception phase, implementation and monitoring of data cleansing project. 2. Improve employment rate through SMME's, EPWP and CHDM contractor development programme 3. To establish debt and credit control unit. 4. Conduct awareness campaigns to rate payers on revenue policies. 5. Prioritization/filling of posts for billing section. 6. Initiation and development of revenue management bylaws and consultation 7. Finalisation, Implementation and monitoring of revenue enhancement strategy 8. Benchmark (learn best practices with other municipalities) with other district municipalities in relation to revenue collection strategy.

#### 2.4.1.3 ANTI-CORRUPTION AND FRAUD

The risk management function has the following anti-fraud and corruption objectives:

- To implement the fraud prevention plan which includes a fraud prevention policy in the district municipality.
- To develop and implement an investigation policy.
- To monitor a case management system that will ensure effective and efficient management of cases.
- To monitor a whistle blowing hot-line of the municipality.
- To develop a whistle blowing policy that will support the whistle blowing hot-line in the district municipality.
- To provide assurance to the council and the municipal manager on the management of fraud risks.
- Promote professional ethics in the district municipality.

The following activities took place in the year under review:

- Maintenance of the anti-fraud and corruption hotline.
- Marketing of the use of the anti-fraud and corruption hotline in order to create awareness
- Sitting of the anti-fraud and Risk Management Committee to ensure sound management of fraud risk within the municipality

## 2.4.2 SUPPLY CHAIN MANAGEMENT

Section 217 of the Constitution state that when an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective.

In order to ensure that the municipality achieves this constitutional mandate, the following Strategic Objectives have to be attained:

- To ensure that the municipality has and implements a supply chain management policy this gives effect to the provisions of the Act;
- To ensure procurement of goods and services in a fair, equitable, transparent, competitive and cost effective and comply with the prescribed regulatory framework;
- That all reasonable steps are taken to ensure that proper mechanisms are in place and separation of duties in the supply chain management system is implemented to minimize likelihood of fraud, corruption, favouritism and unfair and irregular practices;
- To ensure that all contracts/agreement are in writing and are procured in line with the Supply Chain Management;
- To ensure that the supply chain management delegations are properly enforced and managed;
- That the municipal bid structures are in place and effective, to ensure competitive bidding process;
- Ensure submission of proper, accurate and applicable reports as per MFMA to ensure the disposal of municipal assets in accordance with the applicable legislation; and
- Ensure that municipal inventory levels are kept at an acceptable level as per the Municipal SCM policy.

The Chris Hani District Municipality has developed and implemented the following policies and practices relating to Supply Chain Management:

- Supply Chain Management Policy
- Irregular, Wasteful and Fruitless Expenditure Policy
- Infrastructure Provision Policy

## 2.4.3 BY-LAWS

**Table 20: Update on Municipal By-Laws developed**

By-laws Introduced during Year 2018/2019					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Water and Sanitation By-law	No	YES	N/A	YES	2006
Municipal Health Services By-law	No	YES	May 2017	YES	19 Nov 2018
*Note: See MSA section 13.					

Municipal Health Services By-law has been promulgated. Currently in the process of Fines Schedule attached to the By-law to be endorsed by the Regional Magistrate for full implementation of the By-laws. The process is anticipated to conclude end September 2019.

## 2.4.4 WEBSITE

**Table 21: Status of Municipal Website**

<b>Municipal Website: Content and Currency of Material</b>		
<b>Documents published on the Municipality's / Entity's Website</b>	<b>Yes / No</b>	<b>Publishing Date</b>
Current annual and adjustments budgets and all budget-related documents	YES	31 May 2019
All current budget-related policies	No	
The previous annual report	YES	03 April 2019
The annual report 2017/2018 published	Yes	3 April 2019
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards No		
All service delivery agreements 2018/2019	No	
All long-term borrowing contracts 2018/2019	N/A	
All supply chain management contracts above a prescribed value (30000) 2018/2019	YES	Monthly
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2018/2019		
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		
Public-private partnership agreements referred to in section 120 made in	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during 2018/2019	Yes	
SDBIP	Yes	12 July 2018
IDP Review and final Budget 2018/19	Yes	3 September 2018

The Chris Hani District Municipality has established a functional website which can be accessed at <http://www.chrishanidm.gov.za>. The website complies with section 75 of the Municipal Finance Management Act (2003) and 21 A of the Municipal Systems Act (2000). On the website, users can inter alia access the Districts previous Annual Reports, IDP's, SDBIP's, Performance Agreements, Supply Chain Management info etc.

## 2.4.5 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Chris Hani District Municipality (CHDM) has completed its annual customer experience survey to evaluate the satisfaction and/or dissatisfaction levels of its customers for the 2018/19 financial year. First and foremost the survey focussed predominantly on 2 core functions; water and sanitation provision and health and community services. The second major focus was on support functions such as billing and revenue collection, public participation, communication and customer care. This approach attempted to add value on operational and strategic planning perspective of the municipality. The 2018/19 survey findings reflected a fundamental low levels of satisfaction by customers. The survey founded that there is a significant decrease of services provided to both business and household sampled population. The survey findings and recommendations are currently being implemented by the municipality in order to improve the situations. The full customer satisfaction survey report 2018/19 financial year has been published in the CHDM website for public consumption.

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

### 3.1 Introduction

Section 46 of the Local Government: Municipal Systems Act, 32 of 2000 (MSA) requires that municipalities must, at the end of the financial year, prepare an annual performance report. The report required in terms of this Section must reflect the performance of the municipality and each of the external service providers engaged by the municipality for the year. Furthermore, this section prescribes that the performances reflected above must be compared with performances for the previous financial year and include measures to improve performance where underperformance was recorded.

In terms of the Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA), Sec 53(1)(c)(ii) a municipality's Service Delivery and Budget Implementation Plan (SDBIP) must be approved by the Mayor within 28 days after the approval of the budget. The SDBIP gives effect to the Integrated Development Plan (IDP) and budget of the municipality.

The district municipality, at the beginning of 2018/19 Financial Year, adopted a “pro-poor” budget which gives effect to the strategic priorities of the municipality. The SDBIP therefore serves as a “contract” between the administration, Council and community expressing the goals and objectives set by the Council as quantifiable outcomes that can be implemented by the administration over a twelve month period. This provides the basis for measuring performance in service delivery against end-of-year targets and implementing the budget. Once approved, the SDBIP forms the basis of the performance plan of the Municipal Manager and cascaded down to inform the performance plans of the Section 56 managers. This ultimately forms the basis for measuring the performance of the municipality as well as the individual performances of the municipal manager and his senior management team.

In line with this requirement, the Executive Mayor of the Chris Hani District Municipality approved the SDBIP for the 2018/2019 financial year in June 2018 while the Performance Agreements of the Senior Managers were concluded in July 2018. During the development of the SDBIP, a balanced scorecard model was utilised.

This means that all aspects of the operation of the municipality are included in the SDBIP (internal business processes, financial perspectives, and service delivery perspective) with a view of ensuring that all operational aspects are monitored and evaluated against the impact they have on the operation of the municipality and the delivery of services.

For purposes of consolidation, the SDBIP for 2018/19 was divided in terms of the five key performance areas applicable to local government viz.

- KPA 1: Municipal Transformation and Institutional Development;
- KPA 2 : Basic Service Delivery and Infrastructure Development;
- KPA 3: : Local Economic Development;
- KPA 4: Municipal Financial Viability and Management; and
- KPA 5: Good Governance and Public Participation.

In terms of **KPA 1**, the main focus is on the provision of support services internally. These would speak chiefly to matters of human resource provisioning and development, employee wellness, information communication technologies, fleet management services and legal services.

**KPA 2:** the main focus is of tangible service delivery matters such as water and sanitation, roads maintenance, housing and town planning services.

**KPA 3:** this focuses on those indicators seeking to ensure that conducive conditions are created for broader economic growth and ultimately to boost the district economy. Typically, these indicators would focus on amongst others, issues such as tourism promotion and development, forestry programmes, heritage development, the Expanded Public Works Programme (EPWP), and agriculture.

**KPA 4:** focuses on the internal financial management processes. As such, this would focus on matters relating to budget development, supply chain management issues, asset management as well as income and expenditure management.

**KPA 5:** focuses on good governance matters such as public participation, stakeholder engagement, customer care and performance management, the effectiveness of oversight structures, internal audit matters, risk management and communications.

During the 2018/2019 Financial Year the overall CHDM performance results reflect a success rate caused by mixed performance results of departments in implementing the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan of the Municipality. The tables below provides a general overview of the performance of the institution in percentage terms for each KPA and finally for the institution as a whole.

**Table 22: Comparison summary for 2016/2017, 2017/2018 and 2018/2019 financial years**

KPA	Overall Performance Percentage (2016/2017 FY)	Overall Performance Percentage (2017/2018 FY)	Overall Performance Percentage (2018/2019 FY)
Municipal Transformation and Organizational Development	<b>53 %</b>	<b>73%</b>	<b>67%</b>
Basic service delivery and infrastructure Development	<b>78 %</b>	<b>77%</b>	<b>53%</b>
Local Economic Development	<b>57 %</b>	<b>71%</b>	<b>84%</b>
Financial Management and Viability	<b>75 %</b>	<b>59%</b>	<b>17%</b>
Good Governance and Public Participation	<b>75 %</b>	<b>69%</b>	<b>84%</b>
Overall Institutional Performance	<b>68 %</b>	<b>71%</b>	<b>64%</b>

The performance of the institution varies over the years with a decline recorded by some directorates while others slightly improved or exceeded the expected performance. The summary below outlines the overall performance of the district for the past three years.

## Performance highlights per Key Performance Area (KPA)

### 1. KPA: Municipal Transformation and Organizational Development

- ***Training of staff remains a key priority of the municipality:*** 15 Workplace Skills Plan (WSP) training programmes planned were implemented. Officials and Councillors have undertaken various skilling programmes including CPMD.
- ***Relations with labour remained stable:*** Continued Local Labour Forums (LLF) convened assisted in ensuring sound employer and employee relations within the district.
- ***Filling of vacant posts:*** A total number 49 vacant positions were filled to ensure sufficient human capital to assist the municipality with on-going operations and fast track service delivery.
- ***Integrated Health, Wellness and Safety programmes for Employees and Councillors:*** These were conducted consistently.

### 2. KPA 2: Basic Service Delivery and Infrastructure Development

- Monitoring and support of Funeral parlours: Routine inspections were conducted for funeral parlours, food premises and sanitation structures across the district to ensure compliance with standards. Provision of certificates of acceptability where applicable.
- Monitoring of compliance of both drinking water and waste water quality: Water samples were taken to assess the quality of both drinking water as well as waste water to primarily improve the blue and green drop status.
- 2500L water tanks donated to vulnerable groups for water harvesting to mitigate drought
- Condemnation, confiscation of expired foodstuffs, removal and disposal of unlabelled foodstuffs during Operation Gqogq
- Nklonga and Sikhwanqeni water supply completed with 430 households served RDP Standard
- A Process Audit was conducted in all 18 Waste Water Treatment Works.
- In respect to fire services and disaster management, the CHDM was able to respond to all incidents reported within the stipulated timeframes.
- Destitute housing programme: This continued to improve sustainable livelihoods across the district. Newly constructed houses were handed over to beneficiaries in all six Local Municipalities.

### 3. KPA 3: Local Economic Development (LED)

- For the year under review the municipality managed to create 3383 jobs opportunities through EPWP programme against the planned target of 1500.
- Support has been provided for tree nurseries and afforestation projects at Intsika Yethu, Engcobo and Sakhisizwe Local

Municipalities.

- CHDM continues to market the district as a tourism destination through tourism Indaba and Beeld holiday show where local products were showcased.
- Chris Hani Regional Economic Development Strategy (CHREDS) was implemented to improve Agricultural Livelihood CHDM communities across the district.

#### **4. KPA 5: Good Governance and Public Participation**

- Implementation of Risk Management Framework: The districts' risk management instruments remain strong in ensuring adherence to a clean administration and accountable governance.
- Various initiatives were undertaken during the year under review to improve risks associated with fraud and corruption.
- CHDM continues to excel in implementing mechanisms to strengthen the public participation function.
- The Marketing and Communication strategy of the district used a benchmark in the province and its implementation commended by Government and Communication Information System.
- The Performance Management Framework was reviewed with the aim of cascading performance management to low levels of the institution.
- Individual performance is intended to assist the municipality in establishing a climate conducive to motivate employees and to achieve high standard of performance.

Attached below is an approved 2018/2019 Service Delivery and Budget Implementation Plan. This details planned performance of CHDM over the year under review. The attached SDBIP provides a comprehensive picture of those areas where the municipality has made commitments during this period.

## COMPONENT A: BASIC SERVICE DELIVERY

This component includes water, waste water (sanitation), housing services; and a summary of free basic services.

### 3.2 WATER PROVISION

#### 3.2.1 INTRODUCTION TO WATER PROVISION

Chris Hani District Municipality is a Water Services Authority (WSA) and Water Services Provider (WSP) in all local Municipalities within the district area of jurisdiction in terms of the powers and functions as outlined in the Municipal Structures Act, 117 of 1998.

With regards to water schemes and the provision of water infrastructure, the growth in terms of human settlements and limited water sources in the district make the provision of sufficient access to water and sanitation challenging. The vast distances and small catchment areas are major obstacles to the achievement of economies of scale. Drought has also proven to be a major contributor of water provision in the district.

In terms of the current state of water treatment plants in the CHDM, the following can be revealed:

- CHDM currently has 24 water treatment plants across the district with at least a few within each local municipality including supply systems (boreholes) which are also chlorinated.
- The western half of the district is characterised with vast distances between towns and only a few settlements which are mostly provided with services on or above RDP level.
- The majority of the eastern sections show that they are mostly on or below RDP level.
- A number of settlements within Intsika Yethu and Engcobo remain unserved.

**Table 23: Households with access to water**

Households				
Description	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<b><u>Water: (above min level)</u></b>				
Piped water inside dwelling	44590	44590	44590	44590
Piped water inside yard (but not in dwelling)	33864	33864	33864	33864
Using public tap (within 200m from dwelling )	63375	64613	71754	71837
Other water supply (within 200m)				
<i>Minimum Service Level and Above sub-total</i>	141829	143067	150208	150291
<i>Minimum Service Level and Above Percentage</i>	65%	66%	69%	68.9%
<b><u>Water: (below min level)</u></b>				
Using public tap (more than 200m from dwelling)	18299	18299	18299	18299
Other water supply (more than 200m from dwelling)	58087	56849	49708	49625
No water supply				
<i>Below Minimum Service Level sub-total</i>	76386	75148	68007	67924
<i>Below Minimum Service Level Percentage</i>	35%	34%	31%	31.1%



<b>Total number of households*</b>	<b>218214</b>	<b>218214</b>	<b>218214</b>	<b>218214</b>
<i>Source: HIS Global Insight Regional Explorer version 1029</i>				

**Table 24: Water Services objectives**

<b>Water Service Policy Objectives as per IDP</b>											
<i>Service Indicators</i>	<i>Outline Service Targets</i>	<b>2016/2017</b>		<b>2017/2018</b>			<b>2018/2019</b>			<b>2019/2020</b>	<b>2020/21</b>
		<b>Target</b>	<b>Actual</b>	<b>Target</b>		<b>Actual</b>	<b>Target</b>		<b>Actual</b>	<b>Target</b>	
		<b>*Previous Year</b>		<b>*Previous Year</b>	<b>Current Year</b>		<b>*Previous Year</b>	<b>*Current Year</b>		<b>*Current Year</b>	<b>*Following Year</b>
<b>(i)</b>	<b>(ii)</b>	<b>(iii)</b>	<b>(iv)</b>	<b>(v)</b>	<b>(vi)</b>	<b>(vii)</b>	<b>(viii)</b>	<b>(ix)</b>	<b>(x)</b>	<b>(xi)</b>	<b>(xii)</b>
Service Objective											
No of households served with quality basic water supply	1632 Households served with RDP Standard by 30 June 2019	2920	1238	1238	7141	4174	4533	1632	83	2177	3912
No of water reticulation projects completed	6 Water reticulation projects completed by 30 June 2019	21	7	7	14	11	11	6	2	8	10
No of bulk water supply projects Completed	3 Bulk Water Supply Project Completed by 30 June 2019	0	0	0	9	8	8	3	1	2	10
Number of Full SANS Audit conducted in all 28 Water Treatment Works	1 Full SANS Audit conducted in all 28 Water Treatment Works by 30 June 2019	80%	99%	99%	16	16	16	1	0	1	1
No of water treatment works constructed	01 Water Treatment works by 31 June 2019	4	4	4	4	3	3	1	0	1	0
No of water schemes refurbished	02 Water Schemes refurbished by 30 June 2019	14	7	7	10	10	2	2	1	5	3

**Table 25: Water Services employees**

EMPLOYEES WATER SERVICES								
2016/2017		2017/2018			2018/2019			
Job Level	Employees	Post	Employees	Vacancies	Post	Employees	Vacancies	Vacancy %
0-3	57	71	71	0	116	58	58	50%
4-6	30	113	63	50	114	83	31	27%
7-9	4	4	4	0	0	0	0	0
10-12	0	24	15	9	22	15	7	32%
13-15	10	10	10	0	10	8	2	20%
16-18	0	0	0	0	0	0	0	0
19-20	0	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>101</b>	<b>222</b>	<b>163</b>	<b>59</b>	<b>262</b>	<b>164</b>	<b>98</b>	<b>37%</b>

**Table 26: Water Services Capital Expenditure**

Capital Expenditure Year: 2018/2019 Water Services					
R' 000					
Capital Projects	2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Gugwini reservoir	1,777,450.00	1,777,450.00	925,617.44	0%	
Cl8 lunda water supply	6,000,000.00	6,000,000.00	4,194,839.76	0%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

**Table 27: Water Services Financial Performance**

Financial Performance 2017/2018: Water Services					
					R'000
Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	221 941 635	178 523 549	178 574 016	286 378 504	38%
<b>Expenditure:</b>					
Employees	129 207 255	140 605 356	137 181 451	131 284 377	-7%
Repairs and Maintenance	72 129 500	57 401 884	74 984 119	57 265 050	0%
Other	482 528 383	75 073 629	89 003 060	412 006 388	82%
<b>Total Operational Expenditure</b>	683 865 138	273 080 869	301 168 630	600 555 815	55%
<b>Net Operational Expenditure</b>	461 923 503	94 557 320	122 594 614	314 177 311	70%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.1.8

## OVERALL WATER SERVICES PERFORMANCE

The following capital projects were completed during 2018/2019:

Bulk Projects: Gugwini reservoir

Water Retitulation: C18 lunda water supply



C18 lunda water supply project constructed in Ward 2 at Engcobo Local Municipality.

### 3.3 SANITATION PROVISION

**Table 28: Sanitation Service Delivery Levels**

Sanitation Service Delivery Levels				
*Households				
Description	2015/2016	2016/2017	2017/2018	2018/2019
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
<b><u>Sanitation/sewerage: (above minimum level)</u></b>				
Flush toilet (connected to sewerage)	68387	68387	68497	68497
Flush toilet (with septic tank)				
Chemical toilet				
Pit toilet (ventilated)	83962	90843	95432	96686
Other toilet provisions (above min.service level)				
<i>Minimum Service Level and Above sub-total</i>	152349	159230	163929	165183
<i>Minimum Service Level and Above Percentage</i>	70%	71%	75%	76%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>				
Bucket toilet	976	976	866	866
Other toilet provisions (below min.service level)	30025	30025	30025	30025
No toilet provisions	34864	27983	23393	22139
<i>Below Minimum Service Level sub-total</i>	65865	58984	54284	53030
<i>Below Minimum Service Level Percentage</i>	30%	27%	25%	24%
<b>Total households</b>	<b>218214</b>	<b>218214</b>	<b>218214</b>	<b>218214</b>
<b>Source: IHS Global Insight Regional Explorer version 1029</b>				

Within this period, a total of 83 households were supplied with water across the district as listed below:

Name of Project	Number of Households
Lunda water supply	83

**Table 29: Sanitation Service Policy Objectives as per IDP**

Sanitation Service Policy Objectives as per IDP											
Service Indicators	Outline Service Targets	2016/2017		2017/2018			2018/2019			2019/2020	2020/2021
		Target	Actual	Target		Actual	Target		Actual	Target	
		*Previous Year		*Previous Year	Current Year		*Previous Year	Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(ix)	(x)
<b>Service Objective</b>											
No of households with safe sanitation	1394 households served by 30 June 2019	6056	6881	50971	4589	6424	4589	1394	1254	799	799
No of waste water treatment works constructed	1 Waste Water Treatment Works by 30 June 2019	1	1	6	1	0	1	1	0	2	1
Number of Process Audit conducted in all 18 Waste Water Treatment Works	1 Process Audit conducted in all 18 Waste Water Treatment Works by 30 June 2019	30%	41%	30%	16	6	16	1	1	1	1



**Sanitation project completed for VIP toilets**

**Table 30: Employees Sanitation Services**

EMPLOYEES SANITATION SERVICES								
2016/2017		2017/2018			2018/2019			
Job Level	Employees	Post	Employees	Vacancies	Post	Employees	Vacancies	Vacancy %
0-3	110	226	226	0	79	43	36	46%
4-6	10	49	10	39	63	36	27	43%
7-9	22	22	22	0	0	0	0	0
10-12	37	37	37	0	2	2	0	0
13-15		0	0	0	0	0	0	0
16-18		2	0	2	0	0	0	0
19-20		0	0	0	0	0	0	0
<b>TOTALS</b>	<b>179</b>	<b>336</b>	<b>295</b>	<b>41</b>	<b>144</b>	<b>81</b>	<b>63</b>	<b>44%</b>

**Table 31: Sanitation Services Financial Performance**

Financial Performance Year 2017/2018: Sanitation Services					
					R'000
Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	53 094 194	54 246 231	54 246 231	56 086 784	0,03
<b>Expenditure:</b>					
Employees	2 708 344	-	-	-	-
Repairs and Maintenance	1 586 676	11 546 450	15 611 965	5 881 079	-
Other	17 612 204	30 444 713	29 845 848	17 953 119	-0,70
<b>Total Operational Expenditure</b>	21 907 224	41 991 163	45 457 813	23 834 199	-0,76
<b>Net Operational Expenditure</b>	(31 186 970)	(12 255 068)	(8 788 418)	(32 252 586)	0,62
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.2.8

**Table 32: Sanitation Services Capital Expenditure Capital**

Expenditure Year 2018/2019: Sanitation Services					
					R' 000
Capital Projects	Year 2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Regional 1 Sanitation Backlog MIG	4,850,000.00	8,950,000.00	7,038,518.49	1,911,481.51	
Regional 1 Sanitation Backlog WSIG	5,000,000.00	5,000,000.00	5,000,000.00	0.00	
Regional 2 Sanitation Backlog MIG	5,024,990.00	15,000,000.00	14,625,096.38	374,903.62	
<b>Total All</b>	<b>14 874 990,0</b>	<b>28 950 000,00</b>	<b>26 663 614.87</b>	<b>2,286,385.13</b>	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

## SANITATION SERVICES PERFORMANCE OVERALL

A total of 1254 households received sanitation during the 2018/2019 financial year as the following capital projects were completed:

- Region 1 Sanitation Backlog( MIG ) : 92 households provided with sanitation
- Region 1 Sanitation Backlog ( WSIG ): 350 households provided with sanitation
- Region 2 Sanitation Backlog: 812 households provided with sanitation



### 3.4 HUMAN SETTLEMENTS

#### 3.4.1 INTRODUCTION

This function is performed to provide support and guidance to Local Municipalities although it's not a core mandate of the District. The support focuses on municipalities that are faced with capacity challenges and financial constraints in human settlements delivery. Furthermore, it coordinate infrastructure projects that are directly affecting human settlements in as far as sanitation and water services are concerned. Such coordination seeks to eliminate duplication of effort and assist in the monitoring of human settlement projects.

In trying to address these challenges that are facing the District in so far as human settlements development is concerned, CHDM ensures that human settlements forum is coordinated every quarter and chaired by the portfolio councillor responsible for this fuction.

The forum is comprised of portfolio heads and officials that deals with human settlements; infrastructure and town planning in the district and all its 6 Local Municipalities; the Department of Human Settlement in the Province and the Region also forms part of the gatherings.



Engcobo Destitute House



Sakhisizwe Destitute House



Emalahleni Destitute House



### 3.4.2 SUPPORT ON HUMAN SETTLEMENTS DEVELOPMENT PLAN

#### 3.4.2.1 The Destitute Human Settlements Programme

This initiative was born in 2013 out of dire housing conditions experienced by certain families within the District without excluding people from the vulnerable groups. The budget for this programme is catered for under equitable share. Since its establishment, it's been rolled- out in each financial year throughout the District until to date. The following eight (8) destitute houses were handed over to the deserving beneficiaries in a fully furnished state coupled with groceries :

- Ms Thobeka Mathondlana, Cala Town of Sakhisizwe Local Municipality was identified as an old age beneficiary.
- Mrs Nozukile Joja, SentubeA/A, Qolweni Location of Engcobo Local Municipality was identified as an old age beneficiary.
- Ms Funeka Fanele, Palam Street, Aloevale, Komani of Enoch Mgijima Local Municipality was identified as an old age beneficiary.
- Ms Nontsikelelo Matiso, 168 A & B Enjinini, Sada Township, Whittlesea of Enoch Mgijima Local Municipality was identified as an old age beneficiary.
- Ms Elizabeth Nomahlubi Langa, 1521 Zone 2, Dongwe Township, Whittlesea of Enoch Mgijima Local Municipality was identified as an old age beneficiary.
- Ms Regina Koahli Mataka, Michausdal, Kameel Street, Cradock of Inxuba Yethemba Local Municipality was identified as an old age beneficiary.
- Ms Nolovuyo Mthili, Qutsa A/A (Ncekemfu) of Intsika Yethu Local Municipality was identified as the worst case scenario of child headed homes.
- Ms Nozuko Maria Dasi, Mavuya township, Indwe of Emalahleni Local Municipality was identified as an Old Age beneficiary

Of note, assessments were conducted in order to ascertain and justify whether the beneficiaries are legitimate. This was done in consultation with the local municipalities and other relevant roleplayers.

#### 3.4.2.2 Emergency Human Settlements Programme

Chris Hani District Municipality has a responsibility to develop 427 emergency houses as per its Service Level Agreement with the Department of Human Settlements. Since this agreement came into existence, a total of 17 Contractors and 17 Community Liaison Persons were appointed for this programme.

#### 3.4.2.2 Emergency Human Settlements Programme

Chris Hani District Municipality has a responsibility to develop 427 emergency houses as per its Service Level Agreement with the Department of Human Settlements. Since this agreement came into existence, a total of 17 Contractors and 17 Community Liaison Persons were appointed for this programme.

The breakdown of the 427 emergency houses per Local Municipality is as follows:

Name of Municipality	Number of Emergency houses planned	Number of Emergency houses under construction	Number of Emergency houses completed	Comments
Intsika Yethu LM	67	10	9	Works have been suspended in all sites due to foundation design that were submitted
Enoch Mgijima LM	143	6	0	
Emalahleni LM	49	0	0	
Sakhisizwe LM	65	29	10	
Engcobo LM	73	10		

Inxuba Yethemba LM	30	0		by ECDHS to NHBRC for home enrolment. NHBRC is now questioning whether the foundation design that were approved are meeting the required standard of the worst case scenario of soil types. CHDM is busy with the rational statement to prove the required standard of the foundation design for the worst case scenario and also the development of new design.
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**Table 33: Human Settlements Service Policy Objectives**

Service Indicators	Outline Service Targets	Human Settlements Policy Objectives Taken From IDP									
		2016/2017		2017/2018			2018/2019			2019/2020	2020/21
		Target	Actual	Target		Actual	Target		Actual	Target	
		*Previous Year		*Previous Year	Current Year		*Previous Year	Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(ix)	(x)
Service Objective											
Number of Human Settlements programmes implemented	2 Human Settlements programmes implemented by 30 June 2019	03	03	03	03	02	03	2	1	2	2

**Table 34: Employees Human Settlements**

EMPLOYEES HUMAN SETTLEMENTS								
2016/2017			2017/2018			2018/2019		
Job Level /Task Grade	Employees	Post	Employees	Vacancies	Vacancy %	Employees	Vacancies	Vacancy %
0-3	0	0	0	0	0%	0	0	0%
4-6	0	0	0	0	0%	0	0	0%
7-9	0	0	0	0	0%	0	0	0%
10-12	1	1	1	0	0%	1	0	0%
13-15	0	0	0	0	0%	0	0	0%
16-18	1	1	1	1	0%	1	0	0%
19-20	0	0	0	0	0%	0	0	0%
<b>TOTALS</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0%</b>	<b>2</b>	<b>0</b>	<b>0%</b>

### 3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### 3.5.1 INTRODUCTION TO FREE BASIC SERVICES

The provision of access to free basic services is to cater for the basic needs of indigent households is a constitutional imperative. In response to this requirement, Chris Hani District Municipality developed an Indigent Support Policy. In the main, the policy addresses all issues related to the sustainable provision of basic services to indigent households in communities falling under the jurisdiction of Chris Hani District Municipality. It further sets out procedures and guidelines for the effective subsidisation of basic service charges to approved indigent households within budgetary and intergovernmental grant guidelines. The policy also provides clarity on issues related to eligibility for benefiting from the basket of services organised under this policy.

**Table 35: Free Basic Services to Low Income Households**

Free Basic Services To Low Income Households						
	Number of households					
	Households earning less than R1,100 per month					
	Total	Free Basic Water			Free Basic Sanitation	
		Total	Access	%	Access	%
2016/2017	218,214	5,650	4,945	88%	4,945	88%
2017/2018	218,214	5,650	4,549	81%	4,549	81%
2018/2019	218,214	4,287	4,023	94%	3718	87%

**Table 36: Financial Performance on Free Basic Services Delivered**

Financial Performance 2017/2018: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2017/2018	2018/2019			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
<b>Water</b>	13 213 289,93	8 745 000,00	8 745 000,00	8 940 814,02	2%
<b>Waste Water (Sanitation)</b>	8 629 236,26	3 582 800,00	3 582 800,00	2 410 038,98	-49%
<b>Total</b>	21 842 526,19	12 327 800,00	12 327 800,00	11 350 853,00	-9%
					T 3.6.4

Indigent registration for the 2018 indigent register was conducted from December 2017 to January 2018 throughout the 6 Local Municipalities within the District which will then inform the update for 2018-2019 financial. A total of 4287 applicants were approved and included in the register as at 30 June 2019. As per CHDMs Indigent Policy, indigent households get free basic water for the first 6 Kilolitres used and a further free sanitation service rebate for the first 4 Kilolitres used which makes it 10 Kilolitres free basic services.

## COMPONENT B: ROADS AND TRANSPORT

### 3.6 ROADS

#### 3.6.1 INTRODUCTION

The District is responsible for maintaining certain identified roads in the InxubaYethemba area on an agency basis through a 3-year Service Level Agreement (Road Maintenance Contract) with the Department of Roads & Public Works in April 2016 until 31 March 2019. This agreement was limited to the Provincial Proclaimed Roads within the InxubaYethemba Area and a portion of Tsolwana area. The budget allocation on average was between R25 million and R30 million per annum for the 3 financial years. The Service Level Agreement has been extended for a period of 1 year, commencing from the 01 April 2019 to the 31 March 2020 and the budget allocated is R28 million.

The list of roads maintained through this programme in the 2018/2019 Financial Year include the following:

MR653, MR654, MR660, MR00666, MR00654, MR00653, MR00652, MR00648, MR00643, MR00610, MR00609, DR02654, DR02653, DR02650, DR02647, DR02638, DR02635, DR02589, DR02634, DR02571, DR02631, DR02630, DR02629, DR02559, DR02622, DR02613, DR02611, DR02602, DR02598, DR02595, DR02588, DR02570, DR02567, DR02565, DR02563, DR02558, DR02555, DR02554, DR02553, DR02550, DR02549, DR02548, DR02547, DR02544, DR02543, DR02540, DR02539, DR02538, DR02537, DR02536, DR02535, DR02534, DR02532, DR02531, DR02528, DR02527, DR02526, DR02524, DR02523, DR02522, DR02515, DR02508, DR02504, DR02503, DR02431, DR02427, DR02423, DR02422, DR02420, DR02419, DR02417, DR02416, DR02415, DR02413, DR02412, DR02407, DR02394, DR2549, DR255, DR2558, DR2568, DR2571, DR2572, DR2590, DR2600, DR2605, DR2606, DR2611 and DR2612.

**Table 37: Roads Service Policy Objectives**

Roads Service Policy Objectives as per IDP											
Service Indicators	Outline Service Targets	2016/2017		2017/2018			2018/2019			2019/2020	2020/21
		Target	Actual	Target		Actual	Target		Actual	Target	
		*Previous Year		*Previous Year	Current Year		*Previous Year	Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
Service Objective											
Number of kilometres of roads maintained	2148 kilometres bladed and 30 kilometres regavelled by 30 June 2019	2148 and 30	2148 and 30	2148	2000	2259.21 And 46.70	2148 and 30	2652 Km Blading and 30 Km for regavelled	1051.94 kilometres bladed and 5 kilometres regavelled	2148 and 30	2148 and 30

**Table 38: Employees Roads**

EMPLOYEES ROADS									
2016/2017		2017/2018				2018/2019			
Job Level	Employees	Post	Employees	Vacancies	Vacancy %	Post	Employees	Vacancies	Vacancy %
0-3	19	21	12	9		21	8	13	62%
4-6	11	21	9	12		21	4	17	81%
7-9	3	3	3	0		3	3	0	0%
10-12	2	4	2	2		4	2	2	50%
13-15	0	2	0	2		2	0	2	100%
16-18	0	1	0	1		1	0	1	100%
19-20	0	0	0	0		0	0	0	0%
<b>TOTALS</b>	<b>35</b>	<b>52</b>	<b>26</b>	<b>26</b>		<b>52</b>	<b>17</b>	<b>35</b>	<b>67%</b>

**Table 39:**

Financial Performance 2017/2018: Road Services					
					R'000
Details	2017/2018	Year 2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	29 000 000,00	30 000 000,00	30 000 000,00	20 679 101,00	-0,45
Expenditure:					
Employees	6 314 296,60	6 638 048,00	6 021 048,00	5 243 729	-0,27
Other	23 343 084,23	22 891 551,00	23 978 958,00	15 435 372	-0,48
Total Operational Expenditure	29 657 380,83	29 529 599,00	30 000 006,00	20 679 101,14	-0,43
Net Operational Expenditure	657 380,83	-470 401,00	6,00	0,14	3 360 008,13
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.7.8

**Roads Financial Performance**

## **3.7 TRANSPORT**

### **3.7.1 INTRODUCTION**

The District municipality is only responsible for transport planning in so far as transport is concerned. In this regard it has developed a Master Plan which objectives are to ensure that the District meets the demand for safe transport services and facilities. The Master plan positions the District to provide maximum accessibility to the amenities available in its area of jurisdiction. The Master plan intends to provide guidance on the infrastructure requirements to improve major roads and key facilities in towns, signage to guide visitors as well as public transport services and facilities.

There are two national roads passing through the district in a north-south direction (i.e. the N10 and N6) and two railway lines. The two railway routes link Port Elizabeth and East London to the interior. The main east-west road corridors are along the R61 from Cradock, through Queenstown and beyond, the R359 from Queenstown through Lady Frere and Cala to Elliot and the R56 from Queenstown through Sterkstroom, Molteno and Steynsburg to Middelburg.

The district is currently in a progress of appointing a service provider to develop the Integrated Transportation Plan. Therefore ultimate goal will be a joint effort with the Local Municipalities contributing to implementation of the developed plan in their respective areas.

## **COMPONENT C**

### **3.8 PLANNING AND DEVELOPMENT**

#### **3.8.1 INTRODUCTION**

The Constitution of the Republic of South Africa, Act 108 of 1996, Part B of Schedules 4 and 5 places the function of town planning on Local Municipalities. However, the CHDM Council is responsible for District Planning by providing hands on support to all its Local Municipalities. In adherence to the prescripts of the Local Government: Municipal Structures Act, 117 of 1998, the CHDM has, through its Development Planning Unit in the Integrated Planning and Economic Development Directorate (IPED), established the position of a Town Planner with the task of assisting Local Municipalities in the following aspects:

- Determine the efficiency and consistency of municipal spatial tools, i.e.; SDFs, GIS and LUMS in addressing spatial matters;
- Identifying and prioritizing municipalities requiring urgent assistance particularly those without the services of a Town Planner;
- Ensure alignment of CHDM SDFs and Local SDFs in terms of development, review and implementation;
- Provide technical support to Local Municipalities in terms of developing credible SDFs; LSDF's, Land Use and Land development applications and
- To keep abreast of legislation and trends as this relates to Town and Regional Planning.

The Spatial Planning and Land Use Management Act, 2013 (SPLUMA) was assented to by the President on the Republic of South Africa on the 05 August 2013. The Act came into effect as from 01 July 2014. SPLUMA is a National Planning Legislation which is intended to create a single and uniform approach towards Spatial Planning and Land Use Management Systems.

In terms of Spatial Planning Land Use Management Section 34 (2)(No. 16 of 2013), Chris Hani District Council with the agreement of the local municipalities, Establish Chris Hani District Municipal Tribunal, this was resolved on the 31<sup>st</sup> March 2015 on the Council meeting held at CHDM Council Chambers. All six local councils took a resolution to form part of the District Municipal Tribunal.

Therefore the Municipal Councils of the local municipalities below resolved to form a District Municipal Planning Tribunal (DMPT):

- **Inxuba Yethemba,**
- **Intsika Yethu,**
- **Engcobo**
- **Emalahleni &**
- **Sakhisizwe**

A District Town Planner's Forum was also established to specifically deal with town planning/ spatial planning issues affecting the spatial planning function throughout the district. This forum is functional and active, comprised of variety of development parastatals such as town planners/land use administrators/ environmental officials and/or spatial planning officials from CHDM, Government Departments namely; Housing, DEDEAT, Public Works, SANRAL, Eskom and all development departments within the Province and all its local Municipalities.

### 3.8.2 SPATIAL PLANNING

#### 3.8.2.1 Preparation and approval process of a District Spatial Development Framework

In terms of chapter 5 section 20(1) (2) of the enacted Spatial Planning and Land Use Management Act 16 of 2013, a Municipal Spatial Development Framework (SDF) must be prepared as part of a Municipality's IDP in accordance with the provisions of the Municipal Systems Act. CHDM has reviewed its SDF for the next 5 years in line with the directives of the National Spatial Development Plan (NSDP), National Development Plan and the Provincial Spatial Development Plan (PSDP). The review was in consultation with all relevant stakeholders.

This reviewed SDF has considered the Spatial Planning and Land use Management Act, 2013 norms and standards, inter alia, changes in local municipality boundaries.

#### 3.8.2.2 Land use management

Whilst the CHDM does not have a direct role to play in terms of land use management, Chapter 6 Section 34(1) & (2) of SPLUMA Act influence the district to play a role in Land use management and as such the Act requires the Formation of Planning Tribunals to process Land Use applications through a District municipal planning tribunal. Land use and land development applications are processed in terms of SPLUMA. Tribunal is scheduled to sit quarterly in terms of the formed Terms of Reference.

SPLUMA LAND USE APPLICATION REGISTER				
		2016/2017	2017/2018	2018/2019
Applications Submitted		21	13	0
Special Tribunal		0	0	3
Approved		11	5	2
Deferred Application		5	7	1
Not Approved		1	0	0

#### 3.8.2.3 Small Town Revitalisation

The Small Towns Development approach looks at the redesigning of town layouts, reviving urban planning and environmental planning with the aim of ensuring the potential of the space in and around small towns is fully realised.

The concept of Small towns' revitalization also proposes any future developments the municipality approves or endorsed as part of social responsibility from the developers. This must also accommodate the hawkers, malls, ranks, infrastructure development, paving, landscaping, greening, street naming and development of Local Municipalities.

Chris Hani has developed a Regional Economic Development Strategy highlighting the need to identify and prioritise small towns along identified economic corridors that have the potential to participate actively in the value chain of identified economic sectors, and to implement small town development initiatives.

Cofimvaba and Engcobo were identified as the towns with the potential to grow as it is one of the main service centres on the R61 east corridor. This culminated in CHDM and the IntsikaYethu Local Municipality, embarking on the Small-Town Development Plan for

Cofimvaba and Tsomo by formalising and upgrading the informal trading within town Engcobo and CHDM also entered into a Service Level Agreement to revitalise the town with the assistance of SANRAL.

The Small-Town Revitalisation concept is aimed at creating a development plan with a 30 year future outlook of its growth potential, as well as creating a plan that seeks to realise that potential. The plan does not place the district or the IntsikaYethu Local Municipality nor Engcobo Local Municipality as the sole role players in realising developmental objectives of Engcobo, Cofimvaba and Tsomo towns, but rather looks at creating plans to be used as a spatial guiding foundation that will assist stakeholders/investors in defining their roles in the overall growth/development of these towns.

The following reflect the aims behind Small Town Development:

- Strengthen the retail, business, industrial and employment role of the town centres;
- To develop the community, civic and educational roles of the two centres as key attributes of vibrant town centres;
- Build on the unique function of each of the sub-centres serviced by these major centres as a defining characteristic of these areas and a contribution to the Corridor Development Initiative in the district;
- Improve connections between the sub-centres and encourage activities adjoining access routes between the major centres and the sub-centres to create a more physically contiguous and integrated town centre service area;
- Consolidate the individual roles of the centres so that they can better serve the sub-centres, and act as destinations for sub-centre communities by providing an extensive and unique range of retail, community and leisure opportunities;
- Encourage new housing in and around the town centres that increases the range of housing choices;
- Create an attractive and distinctive built environment that supports the range of activities of the town centres; and
- Create a positive urban image for each part of the town centres through the design of buildings and spaces.

The following highlights are worth reporting:

CHDM has implemented paving programmes as part of small-town revitalisation in the following areas:

- Middelburg in InxubaYethemba Local Municipality
- Cradock in Inxuba Yethemba Local Municipality
- Dordrecht in Emalahleni Municipality

### 3.8.3 PLANNING

**Table 40: Planning Service Policy Objectives**

		Planning Service Policy Objectives as per IDP									
Service Indicators	Outline Service Targets	2016/2017		2017/2018			2018/2019			2019/2020	2020/21
		Target	Actual	Target		Actual	Target		Actual	Target	
		*Previous Year		*Previous Year	Current Year		*Previous Year	Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
Service Objective											
Number of spatial planning programmes implemented as per SPLUMA	03 Spatial planning programmes implemented as per SPLUMA by 30 June 2019	3	3	3	1	0	1	3	3	3	3
Number of small town revitalization programmes supported	03 Small Town Revitalization programmes supported by 30 June 2019	3	3	3	3	3	3	3	2	3	3



**Table 41: Employees Planning Services**

PLANNING SERVICES									
2016/ 2017		2017 2018				2018/2019			
Job Level	Employees	Post	Employees	Vacancies	Vacancy %	Post	Employees	Vacancies	Vacancy %
0-3	0	0	0	0	0%	0	0	0	0%
4-6	0	0	0	0	0%	0	0	0	0%
7-9	0	0	0	0	0%	0	0	0	0%
10-12	0	0	0	0	0%	0	0	0	0%
13-15	2	2	2	0	0%	2	2	0	0%
16-18	3	2	2	0	0%	2	1	1	50%
19-20	0	0	0	0	0%	0	0	0	0%
<b>TOTALS</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0%</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>25%</b>

**Table 42: Planning Services Financial Performance**

Financial Performance 2017/2018 Planning Services					
					R'000
Details	2017/20178	Year 2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0				0%
<b>Expenditure:</b>					
Employees	11 692 196,62	3 409 174,00	3 189 276,00	2 880 449,91	-18%
Repairs and Maintenance	0			0	0%
Other	46 126 363,91	10 618 357,00	12 142 219,00	8 964 747,95	0%
<b>Total Operational Expenditure</b>	<b>57 818 560,53</b>	<b>14 027 531,00</b>	<b>15 331 495,00</b>	<b>11 845 197,86</b>	<b>-18%</b>
<b>Net Operational Expenditure</b>	<b>57 818 560,53</b>	<b>14 027 531,00</b>	<b>15 331 495,00</b>	<b>11 845 197,86</b>	<b>-18%</b>
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.10.5</i>

\* The above financial performance information includes all units under IPED.

### 3.9 LOCAL ECONOMIC DEVELOPMENT

#### 3.9.1 INTRODUCTION

During the 2018/19 Financial Year, Chris Hani District Municipality (CHDM) started the process of reviewing her Regional Economic Development Strategy (CHREDS). The review of the Chris Hani Regional Economic Development Strategy was built on the success and gaps identified during the previous work (CRED Strategy reviewed in 2014), adding new insights and understanding that has resulted from discussions with key stakeholders, business representatives and partners through structures organised by the IPED Directorate of Chris Hani District Municipality. Our economic entities, namely the Chris Hani Development Agency (CHDA) and the Co-operative Development Centre (CHCDC) play a significant role in the economic development and growth of our district.

Economic Sector departments, particularly the former Department of Rural Development and Agrarian Reform (DRDAR) and the

Department of Rural Development and Land Reform (DRDLR), as well as the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) played a major role in shaping the rural and broader economic development of the region. DRDAR and DRDLR are in the process of merging, in line with the national developments, to form the Department of Agriculture, Land Reform and Rural Development (DALRRD). CHDM can never be left behind in these attempts that seek to strengthen radical socio-economic transformation and address the national land question (Land reform to ensure that land is returned to its rightful ownership).

The strategy review process has gone through a number of different versions, each of which took into consideration the detailed inputs made by key stakeholders, including those of the CHDM councillors and officials.

## **CHRIS HANI DEVELOPMENT AGENDA AND CORRIDOR DEVELOPMENT APPROACH**

CHREDS deals with economic development as a theme that cuts across all sectors in Chris Hani District area. Whilst administrative boundaries may be tightly drawn in terms of local municipalities that fall under the district, partnerships and trade across boundaries are supported.

While the Development Agenda is based on the potential of each local municipality, the CHREDS is focused more on creating an enabling environment by developing programmes and making available resources to support projects that, in turn, are identified by local municipalities, private sector and entrepreneurs.

Chris Hani District Municipality is in a competitive position in a geographic sense. Its economic capital, Komani lies at the geographical heart of region, and is a gateway between the various powerhouses such as East London, Port Elizabeth, Bloemfontein, Johannesburg, Cape Town and Pretoria, and in an excellent position for business. It was for this reason that Komani, in the Enoch Mgijima Municipality, was identified as the economic hub of the district.

The four economic corridors, as defined by stakeholders, cut across different local municipalities and are as follows:

- **Corridor 1:** Komani → Cofimvaba → Tsomo → Ngcobo
- **Corridor 2:** Komani → Cacadu → Cala → Ekhowa → Indwe → Dordrecht
- **Corridor 3:** Komani → Tarkastad → Hofmyr → Cradock → Middelburg
- **Corridor 4:** Komani → Sterkstroom → Molteno → Middelburg

## **KEY PERFORMANCE HIGHLIGHTS**

Based on the Development Agenda and the economic potential identified in each corridor, the following programmes were implemented to enhance the economic development of the CHDM:

### **FORESTRY DEVELOPMENT PROGRAMMES**

Forestry development in the district mainly focused on Nursery, Charcoal, Sawmilling, Rehabilitation of Woodlots/Plantations and Agro-Forestry.

#### **Tree Nursery Employment and Beneficiation**

Tree nursery involves growing indigenous and exotic trees (Pine and Gum) driven as a commercial enterprise. The concept is based at supporting volumes of tree production by supplying seedlings and resources for the public and private sector. Vusisizwe Tree Nursery situated in Qumanco along R61 is one of the projects that benefited from this programme.

The project started in 2011 beneficiating three local municipalities viz Intsika Yethu, Engcobo and Sakhisizwe. Each local municipality provided five beneficiaries which sum up to 15 beneficiaries:

## CURRENT EMPLOYMENT STATUS

Beneficiaries	Four (1 Sakhisizwe, 1 Engcobo, 2 Intsika Yethu)
Project officer	One (1)
Security	Two (1 Day, 1 Night)
Temporary labour	Three (Required when necessary)

Key operations included manual propagation of indigenous and alien plants, Manual and chemical weeding, Yard Cleaning and maintenance, River water carting and purification.

- Thus far the support to this project amounted to **R 1, 000, 000.00 (One million rands)** which is inclusive of repairing infrastructure, project operations, maintenance and marketing.
- Project managed to secure an off-take agreement with Hansmeresky for two consecutive years now.
- They also managed to have a working relationship with Amalinda nursery as and when they bulk indigenous seedlings
- Beneficiaries were paid monthly at a rate of R 90.00 per day through CHDM **EPWP** fund.

## CHARCOAL EMPLOYMENT AND BENEFICIATION

The Charcoal projects named Egoso and Cala Pass charcoal primary cooperative were initiated to assist in reducing alien species that covered most of our Agricultural and Forestry land. The project was also used to fight poverty within CHDM communities by converting the alien species (Black wattle) into charcoal production.

The project started in 2011 benefiting Engcobo and Sakhizwe Local Municipalities. During the period under review sixteen (16) beneficiaries were employed in Engcobo Local Municipality with two securities manning the site day and night.

### Key Project Highlights :

- Both sites are fully fenced with operational equipment;
- Both sites are legally allowed to operate;
- Water tanks installed at Egoso;
- Three toilets constructed at Egoso;
- Borehole installed at Egoso.
- A partnership has been secured with Ayango biodiesel and is to start operating in the 2019/20 financial year

Key operations included Harvesting of wood, filling of kilns with wood, burning and cooling of burnt charcoal, packaging for sales, manual and chemical weeding, yard cleaning and maintenance.

Thus far the support to this project amounted to **R 1, 000, 000.00 (One million rands.)** which is inclusive of repairing infrastructure, project operations, maintenance and marketing.

### Sawmill Project

- Sawmilling is about timber harvesting from nearby government plantations, cut into logs and being graded according to the required standards. Different produce is being processed from pair lines, rafters, and wooden chips for mulching
- CHDM provides support through procuring protective clothing, machinery and equipment and trainings required.

### Rehabilitation Project

- Community woodlot rehabilitation is about reshaping the jungle into a manageable plantation, providing life for commercialization.

- Delvinne Trust (Sakhisizwe) and Goboti (Engcobo) were provided with the support of fencing community woodlots.

#### **AGRICULTURAL DEVELOPMENT PROGRAMMES:**

Various initiatives embarked on under this programme included Irrigation Schemes, Dryland Crop Production including Rural Agro-Finance Initiative (RAFI) and Livestock Development Programmes.

#### **Irrigation Schemes :**

- CHDM in collaboration with the DRDAR, DRDLR, CHDA, CHCDC and Eastern Cape Rural Development Agency (ECRDA), continued their effort to resuscitate the Irrigation Schemes in Chris Hani District Municipality. These institutions constitute the Task Team that spearhead the operations in the Irrigation schemes.
- The District Municipality and the DRDAR assisted the farmers with production inputs and remuneration of core staff.
- In order to ensure the sustainability of the Irrigation Schemes DRDAR and CHDM through CHDA facilitated partnership arrangements for Ncorha/Qhumanco, Shiloh and Qamata Irrigation Schemes.
- CHDA was also assigned with further development of the Schemes and investment promotion.

#### **Update on the programme implemented at Section 1a and 1b at Qamata Irrigation Scheme**

Section 1a, (Lanti), accepted the government led initiative to change the irrigation method from flood to centre pivots. Installation of the required irrigation infrastructure has been completed. Electrical connection by ESKOM is still outstanding though.

Humansdorp Coop and the Section 1a community co-op have established an operating company where the former will own 40% shares in it while the communities retain the majority shareholding of 60%. Section 1b, (Mtyhintyini), has rejected the initiative and DRDAR has stopped the service provider.

There are plans to introduce the irrigation system upgrade initiative to Sections 1c and 2, but thorough consultation is still to be done to determine acceptance thereof by the target community. Humansdorp Co-op is still interested to partner with the communities for running the farming business.

Introduction of the programme to other sections will take note of the lessons learnt from Section 1b.

#### **Vineyard Project at Shiloh Irrigation Scheme**

The yield obtained from the recent harvest early this year was 28.5 tons, which is expected to translate to 25 000 bottles of INKOSI wine. At the current retail price of R50 per bottle, this will generate a revenue of R1 250 000.00. Funding application to Anglo Gold Ashanti of R17 million for the Winery establishment (R12 million) and 10ha vineyard expansion (R5 million) has been made. Anglo Gold has visited the project and is busy looking at the application. Another funding application submitted to Hortfin for R25 million for further expansion of the vineyard establishment by 20ha. Application has passed first round of assessment by Hortfin investment committee.

#### **Piggery Production in Bilatye Irrigation Scheme**

100 pigs were sold to the local market. The project is now busy raising second cycle of pigs due to be sold in August 2019. CHDA is busy with identifying more marketing channels to ensure that the project gets the highest prices for the pigs.

Plans are in place by DRDLR to further support the project with R1 million and CHDA will be advising on procurement of piglets and feed and facilitation of market linkages.

## **Qamata Mechanization Centre**

DRDAR transferred nine (9) tractors and equipment to the centre and approved an operational plan for the centre to generate more funding. SLA between DRDAR and CHDA is in the process of being finalized which looks at funding of the centre during the initial stages. CHDA has started with the readiness of the equipment to prepare for the planting season, including:

- Service
- Recruitment of operators
- Renovation of storage shed

The centre has benefited 863 farmers and in that process managed to generate R 940 000 revenue. The centre has affordable options for farmers to pay for services according to the affordability of the farmer.

## **Ncorha/Qumanco Irrigation Scheme Report**

Communities have accepted the establishment of the Trust that will represent all beneficiaries of Ncora from 10 villages. CHDA appointed a legal expert to facilitate this process and on 12 July 2019, there will be community meetings from each village, to be led by the political representatives, to nominate community representatives to the Trust.

Each village will nominate 1 person, therefore there will be 10 members representing communities in the Trust. Government will further appoint additional 5 members to advise and build capacity to the Trust. The trust will have 15 members in total.

After the Trust has been established, capacity building programme will be done to capacitate the Trust members to understand their roles and how to account to the beneficiaries

CHDM approved a budget of **R3 million** in the 2018/19 financial year for the irrigation schemes and Mechanization Centre. This money was since transferred to CHDA, through quarterly transfers. In the 2019/20 Financial Year, a budget of **R5 million** has been put aside to cater for Irrigation schemes, including **small irrigation schemes**.

## **DRYLAND CROP PRODUCTION**

### **CHDM Rural Agro-Finance Initiative (RAFI) Commercial Pilot**

The Chris Hani District Municipality committed **500ha** for the commercial pilot of the RAFI programme. The pilot was done into two (2) Local municipalities, namely, Engcobo and Intsika Yethu. The total planted during the commercial pilot was 415 hectares: Maize 350ha & Soya 65ha.

After land preparations some areas proved to be very dry, which made it difficult to plant the full 500ha planned. The average rainfall was 900mm/year, the expected yield for the maize was 5,5tons/ha from a target of 6 tons/ha, Soya expected was 2.5 tons/ha from a target of 3 tons/ha due to dry season experienced.

Harvesting has commenced in all three pilots. The harvesting is done manually due to the following reason:

- The areas are less than 50 ha each, the cost of getting a combine to each area will be high.
- Due to the late planting reference day length, the stems are short meaning that a combine wheat table will have difficulty in cutting low enough.
- Average of ten (10) labour per s/hectare have been employed

The storage has been secured in all three sites.

### **Full Scale Commercialisation (40000ha)**

Planning of 40000ha hectares for the full commercialization is progressing very well. Consultation with Kingdoms to get buy-in of the

program has been completed and consultation with the traditional councils is in progress

## **Livestock Development Programmes**

### **Partnership with National Wool Growers Association**

- The municipality transferred funds to Zulukama Trust to ensure that they buy material and pay labourer for the work. Through this programme there were short time jobs created. Between 5 and 6 casual workers were employed in each village and the total of 70 jobs were created.
- The municipality transferred funds to National Wool Growers Association (NWGA) for the purchase of 100 rams of Dohne Rams as per the signed Memorandum of Agreement (MOA). The rams were purchased and delivered to the farmers. They were officially handed-over during Chris Hani Month at the Wool Growers Congress by the Executive Mayor at Mbenge village in Sakhisizwe Municipality.

### **Animal Dosing and Innoculation**

- Animal Dosing and Innoculation which is implemented through CHDA has catered for 24 job opportunities, of which 8 are unemployed Agricultural Graduates within Chris Hani Region.
- There are five (5) local municipalities which benefited from the programme. Inxuba Yethemba LM did not benefit as the project was mainly targeted for the communal farmers.

### **Custom Feeding Facilities**

- The Department of Rural Development and Agrarian Reform (DRDAR) and the Chris Hani District Municipality (CHDM) are spearheading Livestock production in partnership with NAMC. Through this programme Kamastone Custom Feeding Facility was assisted with the Feed storage container.
- Continuous technical support was also provided to all the seven existing custom feedlots in the District.

## **TOURISM DEVELOPMENT PROGRAMME**

CHDM undertook various Tourism Development Programmes namely:

Local Tourism Organization (LTO) support and Destination Marketing amongst others :

- LTO's with tourism stakeholders in the entire district benefitted from R 900 000 set aside for their operations
- As part of destination marketing, Tourism Indaba was attended where destination branding tools were showcased
- Discussions with National Department of Tourism to include Chris Hani Liberation Heritage Route are in progress
- On Arts and Craft support, Inkubeko Fashion Show was successfully hosted during Heritage and Tourism Month 2018 in partnership with Eastern Cape Provincial Arts and Culture Council

## **HERITAGE DEVELOPMENT PROGRAMME**

The following initiatives were embarked on:

- Successful implementation of the 2019 Chris Hani Month programme
- Successfully hosted the annual Chris Hani Month Marathon which continues to attract local and national athletes

- Successful implementation of 2018 Heritage and Tourism Month programmes which included events such Horse Racing, Chris Hani Choral Music Association District Championships and Chris Hani Jazz Festival amongst others
- Sabalele Development Centre supported with R800 000 as an annual operational funding
- Nine remains of people who were PAC members were executed between 1960 and 1990 were handed over at Intsika Yethu. Five of the remains are already laid to rest.

## ENTERPRISE DEVELOPMENT PROGRAMME

- The Chris Hani District Municipality, as part of its local economic development agenda, received applicants for funding from all Local Municipalities in 2017/18.
- After clearing the previous applications, these applications were shortlisted, assessed and verified and presented to the Grant Approval Committee
- In 2018/19 support was provided to 51 enterprises under the Enterprise Support Programme, 30 under the Incubation support programme and two (2) under the Industrial Support Programme at a total investment of R4 390 024,10.
- To facilitate speedy disbursement to beneficiaries, the CHDA was tasked as the implementing agent to procure goods for the beneficiaries.
- The District continues to support the Chris Hani District Business Forum through payment of office rentals, telephone and another critical requirement. Funds are paid directly to service providers on behalf of the forum.

**Table 43: LED Service Policy Objectives**

LED Service Policy Objectives as per IDP											
Service Indicators	Outline Service Targets	2016/2017		2017/2018			2018/2019			2019/2020	2020/2021
		Target	Actual	Target		Actual	Target		Actual		
				*Previous Year	*Current Year		*Previous Year	*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
<b>Service Objective</b>											
Number of agricultural programmes implemented	5 agricultural programmes implemented	5	3	5	5	4	5	5	5	5	5
Number of SMME support programmes implemented	3 SMME/Business support programmes implemented	3	0	3	3	2	3	3	3	3	3
Percentage budget spent on local business benefiting through Preferential Procurement regulation	30% of budget spent on local businesses per preferential procurement monitored	0	0	0	30%	30%	30%	30%	30%	30%	30%
Number of tourism programmes implemented	3 tourism programmes implemented	3	2	3	3	2	3	3	2	3	3
Number of Forestry	03 Forestry Programmes implemented (1. Tree Nursery	3	3	3	3	3	3	3	2	3	3

programmes implemented	2. Afforestation 3. Charcoal)										
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**Table 44: Employees Local Economic Development**

LOCAL ECONOMIC DEVELOPMENT EMPLOYEES									
2016/2017		2017/2018				2018/2019			
Job Level	Employees	Post	Employees	Vacancies	Vacancy %	Post	Employees	Vacancies	Vacancy %
0-3	0	0	0	0	0%	0	0	0	0%
4-6	0	0	0	0	0%	0	0	0	0%
7-9	0	0	0	0	0%	0	0	0	0%
10-12	4	7	6	1	17%	6	6	0	0%
13-15	1	2	1	1	50%	2	1	1	50%
16-18	1	1	1	0	0%	1	1	0	0%
19-20	0	0	0	0	0%	0	0	0	0%
<b>TOTALS</b>	<b>5</b>	<b>10</b>	<b>8</b>	<b>1</b>	<b>10%</b>	<b>9</b>	<b>8</b>	<b>1</b>	<b>11%</b>

Financial Performance Year 2018/2019: Local Economic Development Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>				-	#DIV/0!
<b>Expenditure:</b>					
Employees	11 692 196,62	6 572 153,00	6 339 502,00	3 203 765,94	-105%
Repairs and Maintenance	-			-	#DIV/0!
Other	46 126 363,91	26 723 364,00	74 703 169,00	342 634,87	-7699%
<b>Total Operational Expenditure</b>	57 818 560,53	33 295 517,00	81 042 671,00	3 546 400,81	-839%
<b>Net Operational Expenditure</b>	57 818 560,53	33 295 517,00	81 042 671,00	3 546 400,81	-839%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.11.9

## Champaign

### CHDM ECONOMIC DEVELOPMENT AGENCY

The Chris Hani Development Agency's (CHDA) strategic framework is premised on the understanding that its role is to promote, support and facilitate economic development in the Chris Hani District Municipality. This will be achieved by improving factors of production that will lead to value adding activities with spin - offs for small and medium enterprises.

The focus areas of the CHDA are:

- The development of irrigation schemes
- The development of the fruit industry (stone fruit and citrus)



- Livestock production
- Value addition and marketing

The Chris Hani Development Agency's (CHDA's) Strategic Framework maps out specific and general strategic goals, objectives and issues relating to its establishment and effective operationalization. The strategic goals are:

- Proficient and Viable Institution
- Viable and Sustainable Clusters and
- Partnership building and stakeholder relations.

The core business of the Agency is the delivery of projects that is aimed at contributing to the economic transformation of the District. This is achieved through leveraging funding from the parent municipality, provincial and national departments and other institutions in development finance space.

CHDA has identified strategic focus areas such as agriculture and agro processing linked to infrastructure and mechanisation support, skills development, Investment and Enterprise development. To maximize the economic benefit to rural communities in the Chris Hani District, programmes have to be financially viable and address both the economic and development needs of the District.

The main focus area is facilitation and implementation of programmes that ensure the operationalization of the four main Irrigation Schemes, increased production of high value crops, fruit, vegetables and new forest plantations. Linked to this is the dedicated focus towards the development of support infrastructure that includes storage facilities, roads, fencing, infield irrigation and facilities to support value addition. Apart from the above, the Agency operates mechanisation centres whose intention is to reduce costs of mechanisation and provision of excellent mechanisation services to the farming community.

Future sustainability of the Agency depends on its ability to position itself as an economic development catalyst and coordinator for the realisation of the economic growth of the District municipality. In pursuit of this the Agency has to adopt the following key considerations in its planning and operation framework:

- innovative fundraising and co-funding initiatives;
- continuous development of project pipeline by identifying new project; and
- own revenue generation initiatives

## **COMPONENT D: COMMUNITY SERVICES**

### **3.10.1 INTRODUCTION TO SPECIAL PROGRAMMES**

The Preamble of the South African Constitution (1996) indicates the commitment to the attainment of social justice and the improvement of quality of life for everyone. The Constitution also declares the founding values of the society to be 'human dignity, the achievement of equality and the advancement of human rights and freedom.' The Bill of Rights (Chapter 2 of the Constitution) highlights equality of all persons. It specifically mentions the right to equality and non-discrimination against persons on the grounds of disability, gender, race, age and religion. These rights and values provide a solid rationale and basis for Local Government to prioritise the needs and challenges of the marginalised and designated groups and to act within their core mandate.

The creation of barriers such as fear and stereotypes have resulted in the marginalisation of certain groups within the society and these include People with Disabilities; Women, Children, Elderly and Youth who are being unfairly discriminated against in the broader society, workplace and access to basic services. In line with the developmental agenda of the South African government, municipalities have a responsibility to develop and implement policies and strategies that are appropriate to the specific needs of the entire society. Municipalities play a critical role in ensuring an effective and well-co-ordinated response to the challenges faced by the society.

### **Key programme highlights:**

#### **Back to School programme**

The Chris Hani District Municipality (CHDM) in partnership with all its Local Municipalities, Chris Hani Development Agency (CHDA) and Chris Hani Department of Education (DOE) have heeded the call by South African government to empower youth through skills development initiatives, and to make education accessible and affordable.

In 2018, CHDM back to school programme focused on the best performing schools. This was part of the CHDM commitment to encourage, drive and contribute to the excellence of education in schools. The initiative aimed at motivating learners and educators to continue doing the best in achieving best results.

Together with the aforementioned partners CHDM has resolved on a comprehensive school support programme focusing on at least 1 best performing school in each local municipality.

#### **BEST PERFORMING SCHOOLS & PERCENTAGES FOR 2018**

<b>Local Municipality</b>	<b>School Name</b>	<b>Aggregate</b>
Emalahleni	Freemantle Boys High School	96.2%
Intsika Yethu	St James High School	92.4%
Ngcobo	Nyanga Senior Secondary School	90.3%
Enoch Mgijima	Ndlovukazi Senior Secondary School	88.6%
Inxuba Yethemba	JA Calata High School	84.9%
Sakhisizwe	AM Zantsi Senior Secondary School	82.4%

The six schools were visited and supported with cleaning material for conducive learning environment. The second component of the programme was the excellence awards and cash prizes to best performing schools in grade 12, 2018. Excellence Awards evening was held at Queens Casino on the 24<sup>th</sup> January 2019. The third component of the programme were Career seminars conducted in partnership with CHDA in all the above mentioned schools championed by CHDA.

#### **Siyandiza Young Falcons Programme**

The Siyandiza Young Falcons Programme is a partnership programme between CHDM, Mbhashe Local Municipality, South African Air Force (SAAF) and the Department of Education (DOE) aimed at equipping maths and science learners with understanding of these subjects and exposing them to careers in the SAAF. The program is manifested in the form of a winter

school camp wherein learners are accommodated and taught in the same facilities of Gali Thembani Youth Centre situated in Komani.

The programme was intended not only to benefit the learners academically but to provide them with the opportunity to learn important people skills that build character. Time management, teamwork, perseverance and leadership were other skills that the program wished to instil in participant learners. The programme reached 140 learners from different Local Municipalities of the CHDM and Mbashe Local Municipality

### **Steve Vukile Tshwete (SVT) Games**

CHDM participated in the Provincial Steve Vukile Tshwete (SVT) Games which were preceded by the District (SVT) eliminations tournament and a camp for the teams hosted within the district. Represented sport codes were boxing, football, netball, rugby, volleyball and table tennis. The programme is implemented in partnership with the Department of Sport, Recreation, Arts and Culture (DSRAC) and the District Sports Confederation.

### **Development of the Mainstreaming Strategy Framework**

The Mainstreaming Strategy Framework was developed with the aim of assisting and enabling Chris Hani District Municipality (CHDM) and its Local Municipalities (LMs), to mainstream municipal plans, activities and programmes as well as policies on designated groups both internally and externally as an integral part of the mandate of local government.

The primary objective of the Mainstreaming Strategy is to enable the CHDM to facilitate the mainstreaming of issues of people with disabilities, children, youth, women and older persons into all policies, plans, programmes and activities of local government, as a way of enhancing their quality of life and foster their full participation and empowerment in all spheres of life. The framework was adopted by the SPU Forum as a working document in addressing the issues that affect the designated groups.

### **SPU Mainstreaming Programmes for Designated Groups**

The Golden Games programme was held in commemoration of International Older Person's Programme (IDOP) which takes place in October targeting older persons. The programme was also held in partnership with the Department of Social Development at Inxuba Yethemba where 15 older persons proceeded to represent the District with the Provincial team at National Level.

The CHDM supported 12 Early Childhood Development Centres (ECDCs), two (2) from each Local municipality through provision of sensory stimulating materials, mattresses and kids furniture to improve their learning capabilities. The end of the year was marked by the District Children's Carnival that focused on children from the previously disadvantaged areas. The children were entertained with jumping castles and playing tools with music which gave them an opportunity to enjoy themselves.

### **District Integrated HIV, STIs and TB Programmes**

The National Strategic Plan for HIV, TB and STIs 2017–2022 (NSP) provides the strategy and framework of a multi-sector partnership for South Africa to overcome HIV, TB and STIs as public health and social challenges. National, provincial and local government, civil society sectors, the private sector, development partners and other stakeholders all collaborate in its development and implementation. The NSP aims to put South Africa on track to eliminate HIV, TB and STIs as public health threats by 2030. The goals of the NSP are geared to reach the UNAIDS 90-90-90 targets through a multi sectoral

approach afforded by district and local AIDS councils.

The CHDM developed an implementation plan that is aligned to the National Strategic Plan (NSP). Implemented programmes include training of trainers for Ward AIDS committees across the district. Commemoration of World AIDS Day and 16 Days of Activism Program was implemented in partnership with Sakhisizwe LM targeting establishment of the District Men's Sector. STI and Condom Week was conducted in the form of an Induction of Men's sectors (District and Local) and Boys Indaba. Lesbians Gay Bisexual Transgender and Intersex (LGBTI) Rights in line with Human Rights Month in partnership with Commission for Gender Equality (CGE) was conducted on two programmes at Emalahleni LM and Enoch Mgijima through capacitation of stakeholders on LGBTI Rights and WSU LGBTI community engagement session on LGBTI rights respectively. Gender Summit and Candlelight programme was conducted in partnership with Office of the Premier (OTP) in Whittlesea within Enoch Mgijima, touching the lives of those people who are victims of Gender Based Violence (GBV) and friends and relatives of those who lost their lives to HIV and AIDS.

### **EPWP through Community Development programmes**

The Expanded Public Works (EPW) Community development Programme has been challenged with shrinking budget allocation as a result the Non-profit Organizations (NPOs) support programme has since been phased out. The EPWP was implemented through job creation to 09 war room facilitators that are responsible for functionality of war rooms at ward level. They are paid a monthly stipend through EPWP funding. The functionality of war rooms in all local municipalities has improved.

### **Integrated Service Delivery Programmes (ISDM)**

ISDM was implemented in the form of war room service delivery days conducted in Local Municipalities mainly at ward level in which various stakeholders provide services to the affected community based on the identified needs. War room capacitation programmes were implemented targeting Councillors from all the Local Municipalities as a support programme by GIZ Government support programme. The workshop was based on the developed ISDM implementation plan to allow Councillors to champion their war rooms. Other capacitations targeted ward committees and Community Development workers in two municipalities, Intsika Yethu and Enoch Mgijima.

The programme that supports households and community centres such as schools, Agricultural community Projects, Early Childhood Development Centres and centres of Older persons was conducted through provision of garden tools, seeds, seedlings and fertilizer. District ISDM Forum meets quarterly to ensure that stakeholders share reports and information on war room functionality.

## **COMPONENT E**

### **3.11 ENVIRONMENTAL MANAGEMENT: BIODIVERSITY**

#### **3.11.1 INTRODUCTION**

Environmental Management function strives to ensure the realization of the Environmental right stipulated in the Bill of rights under Section 24 of the Constitution of the Republic of South Africa, 1996. The constitutional right in section 24 elevates environmental protection, environmental management and environmental law considerations within the context of the undertaking of developments or other projects. The National Environmental Management Act (Act No. 107 of 1998) (NEMA) acts as a framework legislation giving effect to section 24 of the Constitution. NEMA provides for co-operative governance, ensures public participation in environmental

decision-making, seeks to alleviate environmental injustice and ensures sustainable development. The Local Government: Municipal Systems Act 32 of 2000 ("the Municipal Systems Act") gives further effect to these constitutional imperatives. Municipalities have the duty to strive to ensure that municipal services are provided in an environmentally sustainable manner. All organs of State also have the responsibility to protect, promote and conserve the needs of the people. The section also stipulates that the organs of State have to serve as custodians of the environment, and it is their duty to guide the implementation of this Act. The Chris Hani District Municipality (CHDM) through the Environmental Management Unit seeks to adhere to the provisions of the above-mentioned legislations.

**CHDM has implemented the following programmes to ensure sound environmental Management practices:**

**Climate Change & Awareness Programmes**

The concept of Environmental management and Law today requires an acknowledgement that climate change and habitat destruction are global and complex. They demand far deeper transformations of the economy, culture and political life - if human kind carry on the way they do currently, the planet will implode. The Chris Hani District Municipality (CHDM) with the support from the Department of Environmental Affairs (DEA) and Department of Economic Development Environmental Affairs and Tourism (DEDEAT), established a fully functional District Environment and Climate Change Forum to engage stakeholders on environmental issues and the impacts they have on our communities. The Forum intends to ensure an ongoing dialog within the District on matters pertaining to environmental management and Climate change, furthermore it seeks to raise environmental consciousness and facilitate environmental capacity building within the District. The Environment and Climate Change Forum has a capacity building component wherein educational presentations are conducted to capacitate relevant stakeholders on particular matters concerning the environment. The Forum convene on a quarterly basis and serves as a platform for Local Municipalities and government departments to report on matters pertaining to Climate Change and Environmental Management.

Environmental awareness programmes especially climate change related matters that are inclusive of drought issues are conducted twice in each quarter which in total is a minimum of eight (8) programs per financial year. The target audience are mainly disadvantaged communities (rural communities) and school learners. The CHDM contributes towards the celebration and observation of days identified in the environmental calendar which are celebrated annually with different selected themes ( World Wetlands Day, Arbor Week, Clean-up and recycling week, World Environment Day and Water Week etc). These calendar days serve as awareness programmes that afford various stakeholders particularly the disadvantaged communities / youth an opportunity to be capacitated on the importance of environment and how the environment can positively impact on human life if utilized in a sustainable manner.

CHDM adopted the Alien Invasive and Bushing Encroaching Plant Management Strategy that is currently being implemented in the District. This strategy seeks to provide appropriate treatment measures of alien invasive species and in turn unlock economic opportunities in the form of job creation and potential business ventures emanating from the eradication of alien invasive species. This strategy will improve the state of biodiversity, reduce habitat destruction, minimize effects of drought, and provide better management practices for grazing and agricultural land.

The CHDM initiatives towards addressing climate change has resulted to entering in a partnership with United States Agency and International Development (USAID) which is heading South Africa Low Emissions Development Program (SA-LED). The project through USAID has appointed a Technical Advisor that provides technical support and advice on how the CHDM can effectively roll out projects relating to climate change. The partnership assisted in the review of the CHDM Environment and Climate Change Strategy which was then adopted by Council in June 2018.

The Chris Hani District Municipality adopted a District – wide Environmental Management Plan (EMP) as per the provisions of the National Environmental Management Act (Act No. 107 of 1998) (NEMA). NEMA mandates organs of state (sector Departments and Municipalities) that exercise functions that affect the environment to develop an Environmental Management Plan (EMP). The “Chris Hani District Environmental Management Plan” seeks to ensure that the resources in the District are used to their fullest potential in promoting and protecting a sustainable environment, identifying elements and locations of economic growth to improve the quality of life for its people in the communities.

### **Rural Sustainable Villages Project**

The CHDM Sustainable Villages Programme (housed within the Municipal Health Services Directorate of the Chris Hani District Municipality) has been conducting a pilot programme (from 2009 to 2014) that has had, at its core, the implementation and support of a variety of sustainable technologies that were directed at assisting government to meet the need for basic service, food security and environmental health within South Africa's rural landscape. In the 2017/18 financial year CHDM in collaboration with the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) acquired funding from National Treasury – European Union General Budget Support Programme to implement the Rural Sustainable Villages Project.

The project officially commenced in the 2018/19 financial year after having concluded all the contractual processes with the project implementers (Wildlife and Environment Society of South Africa – WESSA). The project is centred around the pilot rollout of the Agama Pro 6 system at schools linked to rain water harvesting, agricultural digestion of food waste, manures and garden residues, and agro-ecological food garden production based on the success of the multi-award winning pilot at Three Crowns School.

The system has demonstrated a reliable, robust and low maintenance approach to providing rural schools with decent, dignified and safe waterborne sanitation linked to onsite renewable energy generation for the cooking of school meals, nutrient beneficiation and resource recycling. The total budget for the project is R10.4 million and will be implemented over a duration of two financial years. An amount of R6.2 Million has already been transferred to CHDM and is currently being utilized in the project implementation. Temporarily jobs have been created for 27 local beneficiaries in the different villages where the project is being implemented. The project has benefited eleven (11) schools with the District, three (3) being the main schools where the new biogas system is being installed (Agama Pro6 digesters), two (2) are the existing schools that are undergoing repairs and maintenance and six (6) schools are registered as part of the Eco schools programme. The Eco-Schools programme is an international programme of the Foundation for Environmental Education (FEE) that was developed to support environmental learning in the classroom. The programme is aimed at creating awareness and action around environmental sustainability in schools and their surrounding communities as well as supporting Education for Sustainable Development in the national curriculum.

### **Greening and Land Care Programmes**

Trees are planted for purposes of greening especially in towns, villages and schools. Trees are a valuable resource providing both environmental and economic benefits. By planting trees, the country can make a difference as trees contribute to cleaner air, lower energy costs, greater protection of soil and water supplies, reduced noise levels, contribute to food security and a more ambient environment in which to live. Additionally, emphasis is made to highlight the need for the conservation of forests and in particular indigenous trees that are threatened by extinction.

In relation to greening, CHDM has resolved to ‘green’ its events by planting trees as a means of striving to counteract the carbon footprint. As part of observing environmental calendar days that also have a greening component, CHDM hosted the Arbor Week programme in Mavuya Township community hall at Emalahleni Local Municipality (September 2018), World Wetlands Day in

Mcewula community hall at Enoch Mgijima Local Municipality (February 2019) and the World Environment Day in Mount Arthur Girls High School at Emalahleni Local Municipality (June 2019).

Council adopted its Alien Invasive and Bush Encroaching Plant Management Strategy 2017-2022 F/Y that is implemented concurrently with the greening and land care programme which is intended to promote job creation and poverty alleviation. The Strategy seeks to reduce environmental degradation by means of eradicating invasive alien plants (Silver and Black Wattle) and bush encroaching species like *Euryops* (Lapesi). The Wattle Eradication Programme and or Land Care Management Programme were implemented in Enoch Mgijima LM, Intsika Yethu LM, and Engcobo LM. The three (3) projects yield approximately 255 job opportunities for local people within the rural communities of CHDM.

### **Environmental Education and Awareness Programmes**

Awareness programmes were conducted to impart knowledge pertaining to environmental quality management, land care and sustainable development in relation to climate change, biodiversity management and waste management. Observation of environmental days such as Arbor Week, World Environment Day and Wetlands Day are commemorated with selected themes on an annual basis and contribute towards raising environmental awareness and education. Environmental education programmes were also conducted in schools and communities. Nine (9) environmental awareness programmes were conducted during the year under review. The impact of these awareness sessions cannot be overemphasized as CHDM is currently well positioned to address the scourge of climate change and make it beneficial to the citizens of this region through greening, recycling, and renewable energy initiatives.

### **Environmental Planning and Management**

CHDM has adopted a number of Environmental Management tools that are provisions of NEMA and other Specific Environmental Management Acts (SEMA's). CHDM Council adopted the Environment and Climate Change Strategy (2018 – 2023)), Environmental Management Plan (2018-2023), Alien Invasive and Bush Encroaching Plant Management Strategy (2017 – 2022). The Air Quality Management Plan and the District Integrated Waste Management Plan are currently under review and are anticipated to be adopted by Council in the 2019/2020 financial year. These sector environmental plans assist the District in providing long term strategic planning and direction to ensure effective implementation of sustainable environmental management practices. The process for developing these sector plans was concluded following a comprehensive consultation process with a wide range of stakeholders and structures.

## **COMPONENT F**

### **3.12 ENVIRONMENTAL HEALTH**

#### **3.12.1 INTRODUCTION**

Environmental health is concerned with monitoring or mitigating those factors of the natural and built environment affecting human health and disease. It involves identifying and evaluating environmental sources and hazardous agents and limiting exposures to hazardous physical, chemical, and biological agents in air, water, soil, food, and other environmental media or settings that may adversely affect human health. The programmes are implemented as per Regulation 123, Scope of Profession for Environmental Health under the Health Professions Act (Act No. 56 of 1974 as amended). Also through implementing relevant legislation e.g. Foodstuff, Cosmetic and Disinfectant Act (Act No. 54 of 1972 as amended) etc.

### 3.12.1.1 WATER QUALITY MONITORING

CHDM is responsible for ensuring that the water provided to communities is safe for human consumption and adequate for domestic use as well as for recreational, industrial, food production and all other human and animal use. This is facilitated through water sampling and analysis in compliance with South African National Standards (SANS): 241, and General Authorisation in terms of section 39 of National water Act 36 of 1998.

- During the period under review, 2 225 drinking water samples were tested for compliance, and of these 7 (0.3%) failed to meet the standard while 99.7% of the samples tested complied. The Environmental Health Practitioners (EHPs) continue with their monitoring to ensure that they are able to detect and advice on control measures for prevention of any diseases that may be water related. This ensures that no communicable diseases or other water related health outbreaks occurred.
- In relation to waste water monitoring, 146 waste water samples were tested during the period under review. Of these, 94 (64%) complied with General Authorisation in terms of section 39 of National Water Act due to infrastructural problems in our waste water treatment works. However, there is an improvement compared to the previous financial year following interventions that were put in place by the district.

## HEALTH AND FOOD CONTROL

### FOOD INSPECTIONS

The district has responsibility of ensuring food safety in respect of acceptable microbiological, chemical and hygiene standards. This is implemented by monitoring food premises for compliance with set standards on a monthly basis to ensure compliance of all food premises and optimal hygiene control throughout the food supply chain.

- During period under review, **560** food premises were monitored, and of these premises **2311** inspections were conducted. Out of the **2311** inspections conducted **1175** inspections met the acceptable standards Regulation 638 (formerly known as R692) and Regulation 1555 respectively. **1136** inspections did not comply due to poor hygiene practices by Food Handlers. Health and hygiene awareness campaigns and training programmes were conducted in the affected food premises in an attempt to deal with this health problem by raising levels of awareness and also promote good health and hygiene practices. These campaigns are on-going, and the positive impact of these efforts are yielding results as there are no incidents of food poisoning cases that were reported.
- Also during period under review, **14** Operation Gqogqa (Food Blitz) were conducted to all formal and informal food premises within the CHDM area

### HEALTH SURVEILLANCE OF PREMISES

This function is performed to ensure urban and rural land use, planning and practices that are conducive with sustainable development. This is done through environmental health impact and other assessments in a manner that ensures the prevention and abatement of any condition on any premises, which is likely to constitute a health hazard. The following premises were evaluated during this financial year in line with the standards as set out in prescripts of law:

**Food premises:** These premises are both formal and informal. Their business set up is therefore distinct due to their different economic status. Council is paying particular attention to develop the informal sector so that it can contribute meaningfully to the economy of the district.

**Funeral Parlours:** The parlours are evaluated in terms of Regulation 363 of 2013 relating to the Management of Human Remains. Most of these parlours are not meeting the requirements. Compliance letters were written to all the affected premises. Follow up



inspections are conducted on a regular basis. Funeral Parlours engagements through funeral parlours forum and workshop added value in compliance with health requirements.

**Sanitation structures:** The Sanitation structures are evaluated in terms of White Paper on Basic Household Sanitation of 2001.

**Waste Management:** The inspections are conducted in LM's waste site to assist them to come to compliance to the NEM Waste Act 2008.

The table below stipulates results on inspections undertaken:

**Table 45: Inspections taken**

CATEGORY OF PREMISES	NUMBER EVALUATED	NUMBER COMPLIED	NUMBER FAILED
Food Premises	560 (2311 inspections)	1175 (inspections)	1136 (inspections)
Funeral Parlours	68 (286 inspections)	164 inspections	122 inspections
Sanitation Structures	120	120	0
Waste Management	14 waste sites (55 inspections)	3 inspections	52 inspections

**Table 46: Health Service Policy Objectives**

Health Service Policy Objectives as per IDP											
Service Indicators	Outline Service Targets	2016/2017		2017/2018			2018/2019			2019/2020	2020/2021
		Target	Actual	Target		Actual	Target		Actual		
		*Previous Year		*Previous Year	*Current Year		*Previous Year	*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
<b>Service Objective</b>											
Number of waste water samples taken for compliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended	36 Waste Water samples taken for compliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended	75%	41%	100%	100%	100%	100%	36	36	144	144
Number of drinking Water Sample Points monitored in accordance with SANS 241	2220 Drinking Water Sample Points monitored in accordance with SANS 241 by 30 June 2019	97%	93%	100%	100%	100%	100%	2220	2220	2220	2220
Number of food premises monitored in line with Food, Cosmetics and Disinfectant Act 54 of 1972 as Amended	560 food premises monitored in line with Food, Cosmetics and Disinfectants Act 54 of 1972 as Amended by 30 June 2019	560	560	560	560	560	560	560	669	2240	560
Number of Funeral parlours monitored	68 funeral parlours monitored by 30 June 2019	70	70	68	68	68	68	68	72	272	272
Number of sampled sanitation structures inspected in line with White Paper on Basic Household Sanitation of 2001	120 sampled sanitation structures inspected in line with White Paper on Basic Household Sanitation of 2001 by 30 June 2019	120	120	120	120	132	132	120	120	120	120

**Table 47: Health Employees**

EMPLOYEES HEALTH INSPECTION									
2016/2017		2017/2018				2018/2019			
Job Level	Employees	Post	Employees	Vacancies	Vacancy %	Post	Employees	Vacancies	Vacancy %
0-3	0	0	0	0	0%	0	0	0	0%
4-6	0	0	0	0	0%	0	0	0	0%
7-9	5	0	0	0	0%	4	4	0	0%
10-12	30	31	31	0	0%	26	24	2	8%
13-15	2	5	5	0	0%	4	4	0	0%
16-18		2	2	0	0%	2	2	0	0%
19-20	0	0	0	0	0%	0	0	0	0%
<b>TOTALS</b>	<b>37</b>	<b>38</b>	<b>38</b>	<b>0</b>	<b>0%</b>	<b>36</b>	<b>34</b>	<b>2</b>	<b>6%</b>

**Table 48: Financial Performance Health & Community Services**

Financial Performance 2018/2019 : Health and Community Services					
					R'000
Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>		5 958 000,00	12 158 000,00	7 361 098	19%
<b>Expenditure:</b>					
<b>Employees</b>	39 851 269,88	42 426 913,00	43 278 345,00	5 243 729	-709%
<b>Repairs and Maintenance</b>	0			13 460 589	100%
<b>Other</b>	20 342 681,02	24 817 738,00	31 796 700,00	18 704 319	-33%
<b>Total Operational Expenditure</b>	60 193 950,90	67 244 651,00	75 075 045,00	37 408 637	-80%
<b>Net Operational Expenditure</b>	60 193 950,90	61 286 651,00	62 917 045,00	30 047 539	-104%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.19.5

The above financial performance information includes all units under Health and Community Services.

#### HEALTH AND HYGIENE EDUCATION AND AWARENESS PROGRAMME

Training, Health and hygiene awareness campaigns were conducted to food premises in an attempt to raise the levels of awareness and also promote good health and hygiene practices especially under the recent outbreak of Listeriosis in South Africa and mushrooming of informal and formal food premises. Health and hygiene education is also aimed at preventing environmentally induced diseases and related communicable diseases. In total 60 health and hygiene programs were conducted to different stakeholders.

Also waste management awareness campaigns were conducted in each local municipality across the District. The campaigns were targeting school pupils and communities focusing on waste management e.g. recycling initiatives and anti-littering programmes.

Environmental Health Days were observed i.e. World Environmental Health Day, Hand Washing Day, Toilet Day, Water Week and National Sanitation Week.

## COMPONENT G: FIRE SERVICES AND DISASTER MANAGEMENT

### 3.21 FIRE SERVICES

#### 3.21.1 INTRODUCTION

The priorities of the Chris Hani District Municipality Fire Services are:

- Planning, coordination and regulation of fire services;
- Specialised Fire Fighting Services such as mountain, Veld and chemical fire services;
- Co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures;
- Training of fire offices.

Fire prevention and fire safety inspections were conducted for compliance purposes. A total of 37 inspections were conducted during 2018/2019 FY. A total of 61 Fire awareness programmes were conducted during 2018/2019. Due to the fire prevention and awareness programmes embarked on, fire incidents have reduced drastically since the previous financial year. Communities are also constantly being trained in basic fire-fighting skills. During the period under review, a total of three (4) training sessions with community members were conducted. Decentralisation of Fire Service is underway to enhance effective and efficient programmes.

**Table 49: Fire Services Data**

Chris Hani District Municipality Fire Services Data					
	Details	2016/2017	2017/2018		2018/2019
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	44	60	13	61
2	Total of other incidents attended in the year	10	20	5	5
3	Average turnout time - urban areas	10	10	10	10
4	Average turnout time - rural areas	1,5 hour	1,5 hour	1,5 hour	1,5 hour
5	Fire fighters in post at year end	8	7	7	9
6	Total fire appliances at year end	1	2	2	1
7	Average number of appliance off the road during the year	0	0	0	0

**Table 50: Fire Services Policy Objectives**

Fire Service Policy Objectives IDP											
Service Indicators	Outline Service Targets	2016/2017		2017/2018			2018/2019			2019/2020	2020/2021
		Target	Actual	Target		Actual	Target		Actual		
		*Previous Year		*Previous Year	*Current Year		*Previous Year	*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
Service Objective											
Number of Fire Services programmes implemented	3 fire services programmes implemented by 30 June 2018	1	1	1	3	3	3	3	3	3	3
Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

response to emergencies	response to reported cases										
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**Table 51: Employee Fire Services Employees Fire Services**

SERVICES									
	2016/2017	2017/2018				2018/2019			
Job Level	Employees	Post	Employees	Vacancies	Vacancy %	Post	Employees	Vacancies	Vacancy %
0-3	0	0	0	0	0%	0	0	0	0%
4-6	0	0	0	0	0%	0	0	0	0%
7-9	8	8	8	0	0%	8	8	0	0%
10-12	0	0	0	0	0%	0	0	0	0%
13-15	0	0	0	0	0%	0	0	0	0%
16-18	1	1	1	0	0%	1	1	0	0%
19-20	0	0	0	0	0%	0	0	0	0%
<b>TOTALS</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0%</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0%</b>

**Table: financial performance Fire Services**

Financial Performance Year 0: Fire Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120,00	-	-	95,00	100%
Expenditure:					
Fire fighters					
Other employees	125,00	3 928 851,00	4 115 294,00	4 032 714,55	3%
Repairs and Maintenance	25,00	-	-	248,00	100%
Other	45,00	1 299 609,00	709 221,00	1 585 432,19	18%
Total Operational Expenditure	195,00	5 228 460,00	4 824 515,00	5 618 394,74	7%
Net Operational Expenditure	75,00	5 228 460,00	4 824 515,00	5 618 299,74	7%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.21.5

### Key performance highlights

Chris Hani Fire & Emergency Services are still committed to render an effective, efficient and economical Fire services to the District of Chris Hani. The CHDM worked in partnership with some local Municipalities to reduce fire risks by providing specialist fire safety advice, support and interventions.

The Fire Services completed the signing of three MOU's and one of the MOU's have been implemented. Our awareness programmes increased by more than 100% and our fire inspections with 85%.

## **3.22 DISASTER MANAGEMENT**

### **3.22.1 INTRODUCTION**

The Disaster Management Service is implemented in terms of the Disaster Management Act (No. 57 of 2002), National Disaster Management Policy framework, GN 654 of 2005, and Chris Hani Disaster Management Policy Framework GN 3162 of 2014.

The Disaster Management function of the Chris Hani District Municipality is implemented according to the four (4) KPA's and three (3) enablers:

Institutional capacity - Quarterly Advisory Forum Meetings with all stakeholders

Response and Recovery - Disaster Relief Material

Disaster Risk Reduction-Public Awareness Programs and IDDR

Disaster Risk Assessment - District Wide Disaster Risk Assessment

Enablers:

- 1) Information management and communication – Communication centre;
- 2) Education , training , public awareness and research – Awareness campaigns;
- 3) Funding arrangement for Disaster Risk Management - Funding option (incentives, grants).

## **SERVICE STATISTICS FOR DISASTER MANAGEMENT**

### **Incidents**

During the period under review 2 major disaster incidents occurred at Enoch Mgijima Local Municipality where a severe storm and strong winds resulted in 20 victims needing assistance with disaster relief material.

### **Disaster Relief**

Disaster relief material was handed over to 20 beneficiaries in Enoch Mgijima.

### **Disaster Advisory Forum Meetings**

Four meetings were held during the financial year.

### **Public Awareness Programs**

A total of 6 public awareness programs were held in the following local municipalities reaching the following number of participants, 122 Enoch Mgijima, 105 Enoch Mgijima , 406 Inxuba Yethemba, 128 Emalahleni, 360 Sakhisizwe and 306 at Engcobo reaching a total of 1427 people.

### **International Day Disaster Reduction**

International Day for Disaster Reduction was held at Engcobo Local Municipality reaching a number of 225 participants.

## **Table 52: Disaster Management Service Policy Objectives**

Disaster Management Service Policy Objectives as per IDP											
Service Indicators	Outline Service Targets	2016/2017		2017/2018			2018/2019			2019/2020	2020/2021
		Target	Actual	Target		Actual	Target		Actual		
		*Previous Year		*Previous Year	*Current Year		*Previous Year	*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
<b>Service Objective</b>											
Number of Disaster awareness programmes conducted	0	0	0	0	4	4	4	6	6	6	6
Percentage response to disaster management incidents reported	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
% Of Disaster stricken Households assisted with relief and recovery material	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

**Table 53: Employees Disaster Management**

EMPLOYEES DISASTER MANAGEMENT									
2016/2017		2017/2018				2018/2019			
Job Level	Employees	Post	Employees	Vacancies	Vacancy %	Post	Employees	Vacancies	Vacancy %
0-3	0	0	0	0	0%	0	0	0	0%
4-6	1	6	6	0	0%	6	6	0	0%
7-9	0	0	0	0	0%	0	0	0	0%
10-12	3	5	5	0	0%	5	5	0	0%
13-15	0	0	0	0	0%	0	0	0	0%
16-18	1	1	1	0	0%	1	1	0	0%
19-20	0	0	0	0	0%	0	0	0	0%
<b>TOTALS</b>	<b>14</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0%</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0%</b>

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### 3.24 EXECUTIVE AND COUNCIL

#### 3.24.1 INTRODUCTION

The Chris Hani District Municipality as outlined in its Integrated Development Plan set out clearly defined strategic objectives and targets in line with its powers and functions as guided by the Constitution of the Republic of South Africa, Act No. 108 of 1996 and relevant legislative requirements. Its endeavours to deliver sustainable and quality services were supported through the implementation and monitoring of adopted Council policies in an effort to deliver on its mandate. During this period, CHDM made great strides in delivering services to its communities. These can be highlighted as follows:

#### Key Service delivery highlights:

- In terms of water provision, CHDM currently has 24 water treatment plants across the district.
- A total of 1254 households received sanitation during the 2018/2019 financial year as the following capital projects were completed:
- Region 1 Sanitation Backlog( MIG ) : 92 households provided with sanitation
  - Region 1 Sanitation Backlog ( WSIG ) : 350 households provided with sanitation
  - Region 2 Sanitation Backlog: 812 households provided with sanitation
- Completed bulk water projects includes Gugwini reservoir and Cl8 lunda water supply. a total of 2577 households were supplied with water across the district.

**Table 54: Financial Performance the Executive and Council**

Financial Performance 2018/2019: The Executive and Council					
					R'000
Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-	-	-	-	0%
<b>Expenditure:</b>					
Employees	17 018 625	17 418 575	19 042 486	17 749 029	2%
Repairs and Maintenance	-			-	0%
Other	9 117 223	7 445 797	14 327 840	10 422 484	0%
<b>Total Operational Expenditure</b>	26 135 848	24 864 372	33 370 326	28 171 513	12%
<b>Net Operational Expenditure</b>	26 135 848	24 864 372	33 370 326	28 171 513	12%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.24.5

### 3.25 FINANCIAL SERVICES

#### 3.25.1 INTRODUCTION TO FINANCIAL SERVICES

During the financial year, municipal bills were produced and sent to customers, customer data cleaned, queries were resolved, and debt collected.

#### Debt recovery update for 2018/2019 Financial year

**Table 55: Debt Recovery**

Debt Recovery							
							R' 000
Details of the types of account raised and recovered	2017/2018		2018/2019			2019/2020	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that will be collected %
Property Rates							
Water – B	20343632.00	5.6%		217,498,132.04	10.1%	228,808,034.91	11.5%
Water – C							
Sanitation	55969599.00	5.6%		56,531,162.74	10.1%	59,470,783.20	11.5%

**Table 56: Financial Service Policy Objectives**

Financial Service Policy Objectives as per IDP											
Service Indicators	Outline Service Targets	2016/2017		2017/2018			2018/2019			2019/2020	2020/2021
		Target	Actual	Target		Actual	Target		Actual		
		*Previous Year		*Previous Year	*Current Year		*Previous Year	*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
<b>Service Objective</b>											
Number of Credible budgets and financial reports compiled and approved	4 Credible budgets and 16 Financial reports approved 30 June 2019	4	4	4	4	4	4	4 Credible budgets and 16 Financial reports approved	3 Credible budgets and 4 Financial reports approved	4 Credible budgets and 16 Financial reports approved	4 Credible budgets and 16 Financial reports approved
Number of Revenue Enhancement programmes implemented	04 Revenue Enhancement programmes implemented by 30 June 2019	0	0	0	5	4	5	04 Revenue Enhancement programmes implemented	0 Revenue Enhancement programmes implemented	03 Revenue Enhancement programmes implemented	03 Revenue Enhancement programmes implemented
Number of SCM programmes implemented	07 SCM programmes implemented by 30 June 2019	6	6	6	6	6	6	7	3	6	6
100% of suppliers paid within 30 days	100% payment of suppliers within 30 days	50%	50%	50%	100%	97%	100%	100%	0%	100%	100%
%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



adherence to payment of salaries by the due date.	adherence to payment of salaries by the due date by 30 June 2019										
Number of GRAP Compliant Asset Register and Inventory Management programmes implemented	Develop GRAP Compliant Asset Register. Two Inventory programmes implemented	Asset Register Completed	Asset Register Completed	Asset Register Completed	Develop GRAP Compliant Asset Register. Two Inventory programmes implemented	Develop GRAP Compliant Asset Register. One Inventory programme implemented	Develop GRAP Compliant Asset Register	Develop GRAP Compliant Asset Register. Two Inventory programmes implemented	0	Develop GRAP Compliant Asset Register	Develop GRAP Compliant Asset Register
Number of GRAP AFS compiled	04 AFS compiled	04 AFS compiled	04 AFS compiled	04 AFS compiled	04 AFS compiled	04 AFS compiled	04 AFS compiled	04 AFS compiled	04 AFS compiled	04 AFS compiled	04 AFS compiled
Number of GRAP and MSCOA Compliant Financial Management Systems programmes implemented by 30 June 2019	03 GRAP and MSCOA Compliant Financial Management system programmes implemented by 30 June 2019	100%	50%	80%	80%	90%	100%	03	0	03	03

**Table 57: Employees Financial Services**

EMPLOYEES FINANCIAL SERVICES									
2016/2017		2017/2019				2018/2019			
Job Level	Employees	Post	Employees	Vacancies	Vacancy %	Post	Employees	Vacancies	Vacancy %
0-3	0	0	0	0	0%	0	0	0	0%
4-6	60	76	73	3	4%	79	77	2	2%
7-9	5	16	14	2	12%	16	12	4	25%
10-12	20	26	22	4	15%	26	19	7	27%
13-15	10	10	9	1	11%	12	11	1	8%
16-18	7	7	7	0	0%	7	6	1	14%
19-20	0	0	0	0	0%	0	0	0	0%
<b>TOTALS</b>	<b>102</b>	<b>135</b>	<b>125</b>	<b>10</b>	<b>10%</b>	<b>140</b>	<b>125</b>	<b>15</b>	<b>11%</b>

**Table 58: Financial Performance Financial Services**

R'000					
Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	10,401,060.00	1,900,000.00	1,900,000.00	0	0
Expenditure:					
Employees	25,078,982.16	9,094,990.00	12,054,792.00	29,289,101	0.69
Repairs and Maintenance	7,650,755.69			16,940,472	1.00
Other	83,181,087.62	5,966,921.00	11,355,669.00	97,019,775	0.94
<b>Total Operational Expenditure</b>	<b>115,910,825.47</b>	<b>15,061,911.00</b>	<b>23,410,461.00</b>	<b>143,249,348</b>	<b>0.89</b>

<b>Net Operational Expenditure</b>	105,509,765.47	13,161,911.00	21,510,461.00	143,249,348	0.91
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.26.5

### 3.26 HUMAN RESOURCE SERVICES

#### 3.26.1 INTRODUCTION

Workforce management is part of the broader organisational management strategy which seeks to amongst others ensure that there is a defined process of accountability as well as adequate procedures to deal with administrative matters. To this end, the municipal Council has approved a number of policies and procedures aimed at improving management and administration affairs within the municipality

#### SERVICE STATISTICS FOR HUMAN RESOURCES

The Chris Hani District Municipality has a staff complement of 678 and 42 Councillors.

**Table 59: Human Resources Service Policy Objectives**

Human Resources Service Policy Objectives as per IDP											
Service Objectives	Outline Service Targets	2016/2017		2017/2018			2018/2019			2019/2020	2020/2021
		Target	Actual	Target		Actual	Target		Actual		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Previous Year	*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
<b>Service Objective</b>											
Number of IHRM Programmes implemented	11 IHRM Programmes implemented	HRD Strategy in place	HRD Strategy in place	HRD Strategy in place	10	9	10	9	7	7	9
Number of Integrated Health, Wellness, and Safety Programmes implemented	4 Integrated Health, Wellness, and Safety programmes implemented by 30 June 2019	18	18	18	28	27	28	4	4	6	6

**Table 60: Employees Human Resources**

EMPLOYEES HUMAN RESOURCES									
2016/2017		2017/2018				2018/2019			
Job Level	Employees	Post	Employees	Vacancies	Vacancy %	Post	Employees	Vacancies	Vacancy %
0-3	0	0	0	0	0%	0	0	0	0%
4-6	4	2	1	1	50%	1	1	0	0%
7-9	0	0	0	0	0%	0	0	0	0%
10-12	5	15	13	2	13%	15	13	2	13%
13-15	0	0	0	0	0%	0	0	0	0%
16-18	1	4	3	1	25%	3	3	0	0%
19-20	0	0	0	0	0%	0	0	0	0%

TOTALS	10	21	17	4	19	19	17	2	10%
					T 3.26.4				

**Table 61: Financial Performance Human Resource Services**

Financial Performance 2017/2018: Human Resource Services					
					R'000
Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	10 401 060,00	1 900 000,00	1 900 000,00		#DIV/0!
<b>Expenditure:</b>					
Employees	25 078 982,16	9 094 990,00	12 054 792,00	29 289 101	0,69
Repairs and Maintenance	7 650 755,69			16 940 472	1,00
Other	83 181 087,62	5 966 921,00	11 355 669,00	97 019 775	0,94
<b>Total Operational Expenditure</b>	115 910 825,47	15 061 911,00	23 410 461,00	143 249 348	0,89
<b>Net Operational Expenditure</b>	105 509 765,47	13 161 911,00	21 510 461,00	143 249 348	0,91
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.26.5

### 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

#### 3.27.1 INTRODUCTION

The mandate of the Information Communication Technology (ICT) unit is to Provide ICT services and support to the District Municipality and to provide secure, reliable and consistent platform for information accessibility.

#### SERVICE STATISTICS FOR ICT SERVICES

##### Information Communication Technology Governance

The King 3 report on IT governance states the importance of establishment of IT Governance Framework. The IT Governance Framework supports effective and efficient management and decision making around the utilisation of IT resources to facilitate the achievement of the municipal objectives and the management of IT-related risks. It includes a charter, decision-making structures, accountability framework, IT reporting and an IT internal control framework.

CHDM has an approved ICT Governance Framework which is based on the principles of Cobit 5. Council established ICT Governance committees as per the adopted ICT Governance Framework. There are three ICT governance structures in existence, the ICT Steering Committee, ICT Architecture Forum and the Information Systems Security Forum. The latter two were combined into one forum, which is called the ICT Architecture and Information Security Forum.

CHDM has an approved ICT Strategy Plan, which states the importance of integration of systems. A service provider was appointed to conduct the work-study on integration of systems. The role of the service provider is to assist in improving business integration, and enhancing ICT technology, to provide an organized, sensible, accountable and workable ICT systems environment thus eliminating redundant information and dormant ICT systems. The main objective of the engagement is to draft a roadmap to attain an ideal ICT operating model, which the municipality can use to plan and operate its ICT systems and infrastructure going forward.

The project had seven phases namely:

**Phase 0:** Initiation and Planning – definition and approval of project schedule, project charter, project plan and establishment of the overall project protocols and communication channels.

**Phase 1:** Blueprinting- “As-Is” Municipal situation (assessing business process). Engaging internal stakeholders to gain understanding of municipal environment and to get the understanding of key personnel on their expectations of the project.

**Phase 2:** Blueprinting- “As-Is” ICT Situation (assessing ICT infrastructure). Understanding the purpose of existing ICT applications, current ICT infrastructure (hardware, network, databases etc) assess ICT policies, procedures and practices, IT spend, resources, skills.

**Phase 3:** Business - IT Alignment Assessment (identification of current infrastructure, ICT function and integration gaps). Identifying gaps between the municipal requirements and the current ICT capabilities and reconciling municipal objectives and requirements.

**Phase 4:** Determine “To – Be” municipal needs. Reviewing and understanding of the municipal IDP and understanding the role that ICT should play in enabling and supporting the municipality’s plans.

**Phase 5:** Perform a Technical Gap Analysis. Analysis of output of the municipal ICT analysis to determine gaps in enterprise and identify major ICT risks.

**Phase 6:** Develop Work – Study for business integration and technology enablement (solution to integration gaps). Drafting and proposing the ideal service delivery model for the ICT unit to support the municipality and the following:

- The ideal ICT organogram for the ICT unit.
- Ideal governance model for the ICT unit to support the municipality.
- The ideal application landscape for the ICT unit to support the municipality
- The ideal budgeting framework for the ICT unit to support the municipality
- The ideal performance measurement framework for the ICT unit to support the municipality.
- ICT infrastructure model (limited to recommendations only)
- Draft, finalize business integration and technology enablement roadmap.

**Phase 7:** Project Closure. Finalize, quality check and sign-off all deliverables from previous phases. Capture lessons learnt and future steps coming from these deliverables. Close-out meeting with all key stakeholders to handover all deliverables.

All seven phases of the project were completed, and the document is a living document that the municipality is using to plan a way forward for the ICT unit. The document has a clear road map which is a guide regarding what is to be undertaken to ensure that ICT unit of CHDM reaches at least a level 4 in terms of ICT governance maturity, and to assist in the planning of ICT projects.

### Network Infrastructure Upgrade

The unit has a responsibility to provide connectivity to all CHDM remote sites. In addition to the local sites in Queenstown, there are remote sites in various local municipal towns with Water services offices including WSP and billing offices. CHDM has an SLA with Telkom. Some of the main sites in Queenstown are connected with Telkom VPN.

The line was upgraded from 12MB to 30MB in the previous financial year. Four remote sites have been connected to the Telkom VPN namely, Queenstown (Customer care and WSSA), Tarkastad, Cradock, Sakhisizwe, Indwe, Dordrecht and Molten. Cabling at Elliot and Molten is outstanding.

A Storage Area Network (SAN) was procured as part of the ICT infrastructure upgrade to ensure data management and avoid loss of data in case of computer loss or crash. The project includes replacement of SAN, upgrading of servers and procuring backup software.

**Table 62: Information Communication Technology Service Policy Objectives**

Information Communication Technology Service Policy Objectives as per IDP											
Service Objectives	Outline Service Targets	2016/2017		2017/2018			2018/2019			2019/2020	
		Target	Actual	Target		Actual	Target		Actual		
Service Indicators		*Previous		*Previous	*Current		*Previous	*Current		*Current	*Following

		Year		Year	Year		Year	Year		Year	Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
<b>Service Objective</b>											
Number of ICT Programmes Implemented	4 ICT programmes implemented by 30 June 2019	2	2	2	4	2	4	4	1	4	4

**Table 63: Employees ICT Services**

EMPLOYEES ICT SERVICES									
2016/2017		2017/2018				2018/2019			
Job Level	Employees	Post	Employees	Vacancies	Vacancy %	Post	Employees	Vacancies	Vacancy %
0-3	0	0	0	0	0%	0	0	0	0%
4-6	1	1	1	0	0%	1	1	0	0%
7-9	0	0	0	0	0%	0	0	0	0%
10-12	3	9	7	2	22%	6	4	2	33%
13-15	1	2	2	0	0%	1	1	0	0%
16-18	0	0	0	0	0%	0	0	0	0%
19-20	0	0	0	0	0%	0	0	0	0%
<b>TOTALS</b>	<b>5</b>	<b>12</b>	<b>10</b>	<b>2</b>	<b>17%</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>25%</b>

### 3.28 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

#### 3.28.1 INTRODUCTION

This function is performed to provide sound legal advice to the institution and also manage administration. In its quest to ensure that the Council is properly advised on issues relating to rule of law, management of information, safeguarding of municipal assets and the creation of environment that enables Council to perform its oversight function. Measurable objectives for the period under review were as follows:

- To ensure effective administration support and legal services
- To ensure effective Management of Municipal assets.
- To Ensure Proper Document Management

#### Key performance highlights:

##### Construction and maintenance of buildings

CHDM has various assets ranging from immovable property such as land and buildings to movable property such as motor vehicles and furniture. Land and buildings are generally considered to be investments. The Municipality has a duty to ensure that they not

only safeguarded but also maintained to enable them to appreciate in value. The lack of office space poses a serious risk to the municipality's ability to deliver in its core mandate, which is to provide basic service delivery. A workforce that is not properly accommodated and secure often have low morale.

### Key performance highlights

The Municipality's property management system, which implemented by both directorates Corporate Services and IPED deals not only with daily maintenance, but also refurbishment and construction of new offices. Chris Hani District Municipality is in a process of refurbishing; constructing and maintaining municipal building offices as part of value driven process which seeks to contribute to developing its buildings in a lifelong perspective. The intention is also to apply sustainable technology when upgrading all existing municipal buildings, which is environmental friendly to water and waste, energy efficiency and smart technology that give low operating costs and efficient building operations.

In the reporting year, there were following highlights:

- Practical completion in the Refurbishment of the Bells Road premises project;
- Renovations of the Sakhisizwe Offices

Insofar as the Chris Hani Village Office Park is concerned, the decanting site has already been identified. Work has started on site with the intention of moving the Municipality's fleet to the site near the N6 road (next to the Ultra City) in Komani.

### Provision of security management services to assets

The Chris Hani District Municipality values its human resources. Strides are continuously being taken to ensure that its employees and councillors are safeguarded. Although there are security breaches in the water treatment works, the municipality continue to use the services of security companies to ensure that assets and lives of officials are safeguarded.

There has been reported incidents of vandalism and theft of assets such as fences, generators and other items from the water services infrastructure premises. The capacity of the security companies remains a problem, and this problem has manifested itself in the lack of responsiveness of the companies during the tendering process. With the above in mind, a tender for the provision of security services has been re-advertised, and the intention is to appoint 4 (four) service providers. The appointed service providers shall make assessments that will culminate in the development and implementation of 4 (four) clustered sites specific security management plans. As at the end of the financial year, the following sites are being guarded:

**Table 64: Sites under security management services safeguard**

SITE OFFICE	TOWN	POINT	DIRECTORATE
INXUBA YETHEMBA	Cradock	Beeren Street	Finance
	Cradock	Town Pump Station, Scalyn Pump Station, Geelbooi Pump Station and Michausdal Pump Station and Industrial	Infrastructure
	Middelburg	Waste Water Treatment Works	Infrastructure
	Middelburg	Midros Community Hall	Finance
	Middelburg	Municipal Technical Services Building	Finance
	Middelburg	Pump houses	Infrastructure
ENOCH MGJIMA	Molteno	Dam & Water Treatment Works	Infrastructure
	Molteno	43 Stuart Street	Finance
	Sterkstroom	57 John Vorster Drive	Finance
	Sterkstroom	Dam, Waste Water Treatment Works and Water Treatment Works	Infrastructure
	Whittlesea	Mtabaso Pump House	
	Tsolwana	Water office in Tarkastad	Finance & Infrastructure
INTSIKA YETHU	Cofimvaba	Technical Services Yard	Infrastructure
	Cofimvaba	46 Windhurse Road	Finance
	Cofimvaba	Tsojana Water Treatment Plant, Cofimvaba Water Treatment Works and Ncora Water Treatment Works	Infrastructure
	Tsomo	Tsomo Water Treatment Plant,	Infrastructure
	Tsomo	Prefabul at Police Station	Infrastructure

<b>ENGCOBO</b>	Engcobo	Old Mutual Building, Cala Road	Finance
	Engcobo	Engcobo Oxidation Ponds, Engcobo Water Treatment Works and Nkobongo Treatment Works, Gqaga, Sitholeni and Torha	Infrastructure
	Engcobo	Resource Centre and Tree Nursery	Environmental Health
<b>SAKHISIZWE</b>	Elliot	20 Bank Street	Finance
	Elliot & Cala	Elliot Water Treatment Works Elliot Waste Water Treatment Works Cala Water Treatment Works Cala Package Plant Xalanga Water Treatment Works	Infrastructure
	Elliot	Elliot Fire Station	Fire Services
	Cala	Cala Abbatoir	IPED
<b>EMALAHLENI</b>	Indwe	Cnr Xalanga & Tilny Street	Finance
	Dodrecht	1 Klip Street	Finance
	Lady Frere	42 McKenzie Street	Finance
	Dordrecht	Dordrecht Water Treatment Works Dordrecht Waste Treatment water Works	Infrastructure
	Lady Frere	Macubeni Water Treatment Works	Infrastructure
	Indwe	Indwe Water Treatment Works	Infrastructure
<b>MAIN OFFICE</b>	Komani	15 Bells Road – Guarding Services	Headquarters
	Komani	38-42 Cathcart Road	Finance
	Komani	Tylden Street (Disaster Management Centre, IPED & Fleet Management Services)	MHS, IPED & Corporate Services
	Komani	29 – 31 Prince Alfred Street	MHS
	Komani	63 Prince Alfred Street	Internal Audit & Labour Relations
	Komani	21 Emerald Avenue, Top Town	Mayoral Residence
	Komani	Former WSSSA Offices	Infrastructure
	Komani	42 Cathcart Road -Biometrics Access control system being installed	Infrastructure
	Komani	38 Cathcart Road – Additional CCTV cameras and gate motor being installed	Finance
	Komani	42 Cathcart Road – CCTV and computer equipment being installed	Infrastructure
	Komani	Interface and relay to link BTO gate to access system	Finance
	Komani	42 Cathcart Road – CCTV and computer equipment being installed	Infrastructure

## LEGAL SERVICES

Legal support is provided to senior management, directorates and Council on the exercise of powers, functions and decision making. The objective that relate to this function is to ensure effective administration support and legal services. An assessment of legal risks within the municipality culminated in the adoption of the Litigation Management Strategy, which enables the district to manage legal risk.

The strategy has the following 5 (five) Pillars:

- Proactive Legal Support Services
- Stakeholder Consultation
- Litigation Risk Mitigation
- Capacity Building
- Co-operative Governance

The sub-unit planned to have 4 (four) programmes for the 2018-19 financial spread over the 4(four) quarters of the year. Of the four programmes, only the in-house training relating to Drafting of Contracts was not implemented due to the lack of dates within the institution that are suitable to the external attorneys.

The Office of the Chief State Law Advisor, attached to the Office of the Premier, continue to assist in the capacity building of the structures of the Municipality in the following 3 (three) programmes:

- Promotion of Access to Information Act mainstreaming;

- b) Promotion of Administrative Justice Act mainstreaming;
- c) Legislative Development

Generally, the state of the Municipality's legal matters has been stable, with all the potential legal threats having been dealt with as and when they come to the attention of the institution. However, with more infrastructure projects being advertised for invitation for tenders, there has been an upward surge in the requests for information in terms of the Promotion of Access to Information Act, and also tender appeals in terms of Rule 53 of the High Court, in conjunction with the Promotion of Administrative Justice Act.

The Legal Services Unit has identified the following litigation risks, which shall reflect in the Litigation Risk Register of the institution:

- Public liability arising from sewerage spillages and lack of adequate drinkable water;
- Legality of decisions of the municipality's structures
- Lack of review of by-laws
- Delayed payment to creditors
- Vicarious (third party) liability arising from motor vehicles and other transgressions while both elected and appointed officials while within the course and scope of duty for the Municipality
- Injury on duty
- Land right claims

### **Highlights**

- a) Establishment of the Chris Hani District Legal Advisors Forum; and
- b) Compilation of the Municipality's PAIA Information Manual

### **Council Support**

Council support has an objective of ensuring effective administration support and legal services. Under this objective there were four programmes that were geared to ensure that there is compliance with Rules of Order, and also that Council and its committees operate seamlessly.

Support has been provided to Council, Mayoral Committee, standing committees and the Local Labour Forum, by means of not only taking minutes, but also preparation of resolution registers, council resolution extracts and monitor the attendance of councillors in meetings. Though most of the Section 80 meetings were held, they were not held as scheduled in terms of the Council Calendar, and however there was substantial compliance with the rules and orders of Council whenever the need to reschedule arose. The Council's resolution register has been continuously updated, and reports on the implementation of Council Resolutions were regularly submitted to Council for noting.

### ***Automation of Records and Improved Record Management Processes and Procedures***

The municipality's Records Section is entrusted with the responsibility of ensuring that the institutional information and heritage is properly managed. Its objective is to ensure proper document management system in line with the Records Management Policy. Although the management of records in the municipality is still decentralized, great strides have been made to ensure that the Records management Policy is implemented.

Records management is not automated yet as the bid for supply and implementation of the electronic document management system has once again been cancelled due to the non-responsiveness of tenderers. The Municipality intend to use the transversal contract from Treasury in 2019-20 Financial Year.

Though there has been no litigation relating to lack of access to information, the poor record keeping is likely to be mostly felt when the Auditor General expresses its opinion about limitation of scope within the Directorate: Finance. There has been awareness campaigns in various directorates that relate to file management, which is inclusive of file planning, referencing and disposal.

### **Safeguarding and Maintenance of Municipal Fleet**



CHDM has a total fleet of 181 vehicles of which 88 are allocated for General Use (main pool), Fire services, Disaster Management, Councillors and Billing Services. The remaining 93 are mainly dedicated for water services and are reported separately. Pool vehicles are allocated for general use and serve as relief vehicles to the entire Municipality, especially when specifically, allocated vehicles break down.

The Municipality's vehicles are classified in accordance with their gross vehicle mass. Vehicles such as sedans, bakkies and other small to medium utility vehicles with Gross Vehicle Mass (GVM) of less than 3500 have the lifespan of 5 (five) years, while trucks (mostly performing water related activities) with Gross Vehicle Mass (GVM) of more than 3500 have a life span of 15 (fifteen) years. Emergency vehicles less than 3500 (GVM) have a lifespan of 7 seven years as they are underutilised for a reason, thus they only used to respond in emergencies.

#### THE FOLLOWING IS THE BREAKDOWN OF POOL VEHICLES AND DESCRIPTION OF VEHICLES.

**Table 65: Breakdown of Pool Vehicles and Description of Vehicles**

Allocation	Description of Vehicles	No	Condition
Water Service provision (wssa)	Ldv's, Tipper Bakkies, Half Tonne Bakkies	17	Good
Councillors	4 Executive Vehicles 1 Sedan , 1 Ldv Executive 1 Mini Bus (7-Seater)	7	4 Good Condition 3 will be disposed due to the lifespan reached and replaced. 2 None running.
Pool (Support East, West) When need arises	Roll back Trucks	02	NEW
Pool Water Trucks (Relief)	Water Tankers 14000L	06	Good
Pool TLB (Support East/West)	TLB	02	Good
Pool	Drop side Trucks, Communication Truck	02	1 BER (Beyond Economical Repair) Drop side
Pool (Relief and administration)	LDV	34	Good
Pool	22-Seater Bus	1	Good
Pool	7-Seater (Avanza)	1	Good
Pool (Billing )	7-Seater (Avanza)	4	Good
Fire Services Ldv	LDV	6	Good
Fire Services Truck	Fire Engine Truck	1	Good
Fire Services Truck	Water Tanker 1400L	1	Good
Disaster Management LDV	LDV	3	Good
Disaster Management Bus	Bus	1	Good
<b>Total no of Vehicles</b>		<b>88</b>	

#### SUMMARY AND CATEGORIES OF WATER SERVICES VEHICLES

**Table 66: Categories of Water Services Vehicles**

Description	LDV	Water	Diesel Truck	Diesel Tankers	Tractor	Sewer	Crew Cab	Environmental Services	TOTAL
<b>East</b>	30	10	1	3	0	4	2	<b>6</b>	<b>56</b>
<b>West</b>	25	5	0	2	1	4	0	<b>0</b>	<b>37</b>
<b>Total</b>	<b>55</b>	<b>15</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>6</b>	<b>93</b>

The CHDM is anticipating on procuring additional vehicles, due to the fact that the scope of work has increased, and more personnel have been hired in the water services department, thus performing the Municipal functions diligently and effectively.

### Automation of Records and Improved Record Management Processes And Procedures

The municipality's Records Section is entrusted with the responsibility of ensuring that the institutional information and heritage is properly managed. Its objective is to ensure proper document management system in line with the Records Management Policy. Although the management of records in the municipality is still decentralized, great strides have been made to ensure that the Records management Policy is implemented. During the year under review, there has been no litigation relating to lack of access to information, however the poor record keeping is likely to be really felt when the Auditor General expresses its opinion in this regard. The lack of a structured records management model remained an issue as at the end of the financial year.

**Table 67: Property, legal Service, Security Management, Council Support, Municipal Fleet and Documents Management Policies**

Property legal risk Service Policy as per IDP											
Service Indicators	Outline Service Targets	2016/2017		2017/2018			2018/2019			2019/2020	2020/2021
		Target	Actual	Target		Actual	Target		Actual		
		*Previous Year		*Previous Year	*Current Year		*Previous Year	*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
<b>Service Objective</b>											
Number of Municipal vehicles managed	99 Municipal Vehicles Managed by 30 June 2019	46	77	46	21	32	32	99	99	168	168
% of works in the construction of Chris Hani Village	2% work constructed of Chris Hani Village phase 1 by 30 June 2019	0	0	0	5%	0%	5%	5%	(0.61)	50%	75%
Number of buildings Refurbished	03 Buildings Refurbished by 30 June 2019	0	0	0	50%	5%	50%	03	03	2	2
Facilitate the appointment of service providers	Facilitate the appointment of service providers by 30 June 2019	0	0	0	30%	0	50%	Facilitate the appointment of service providers	Facilitated the appointment of service providers	04 Security Management Plans Developed and implemented	04 Security Management Plans Developed and implemented

Number of litigation management Programmes implemented	04 Litigation management Programmes implemented by 30 June 2019	Litigation strategy in place	Litigation strategy in place	Litigation strategy in place	4	3	4	04 Litigation management Programmes implemented by 30 June 2019	3	4	4
Number of Administration support programmes implemented	4 Administration support programmes implemented by 30 June 2019	Rules of order in place	Rules of order in place	Rules of order in place	4	4	4	4 Administration support programmes implemented by 30 June 2019	3	4	4
Number of Record Management Programmes implemented	03 Record Management programmes implemented by 30 June 2019	Record Management policy in place	Record Management policy in place	Record Management policy in place	3	0	3	03 Record Management programmes implemented by 30 June 2019	2	3	3

**Table 68: Employees Legal services**

EMPLOYEES PROPERTY LEGAL AND RISK										
2016/2017		2017/2018				2018/2019				
Job Level	Employees	Post	Employees	Vacancies	Vacancy %	Post	Employees	Vacancies	Vacancy %	
0-3	0	0	0	0	0%	0	0	0	0%	
4-6	0	0	0	0	0%	0	0	0	0%	
7-9	0	0	0	0	0%	0	0	0	0%	
10-12	0	0	0	0	0%	2	0	2	100%	
13-15	2	2	1	1	50%	1	1	0	0%	
16-18	2	2	1	1	50%	1	1	0	0%	
19-20	0	0	0	0	0%	0	0	0	0%	
<b>TOTALS</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50%</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50%</b>	

## COMPONENT K: ORGANISATION PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year

Priority Area	Measurable Objectives	Outcome	Strategy	KPI	Indicator Descriptions	Indicator Code	Programme Budget Allocation	Baseline	Annual Target	Actual Performance (Please indicate if achieved or not achieved)	Snapshots	Reasons for Variances	Remedial Action	Evidence	Custodian
KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT															
BROAD STRATEGIC OBJECTIVE 1: To Establish and Maintain a Skilled Labour Force Guided by Policies to Function Optimally Towards the Delivery of Services to Communities															
Integrated Human Resources Management	To Attract, Retain and Build a productive workforce	Increased productivity and improved service delivery	Implementation of Integrated Human Resources Management Programs	Number of IHRM programmes implemented	IHRM programmes – seeks to improve organizational performance and developing a culture that foster innovation to help the organisation to achieve its performance.	MTO D - 1	R6 312 022.38	11 Programmes	9 IHRM Programmes by 30 June 2019	Target not achieved 7 IHRM Programmes implemented		N/A	N/A	IHRM Programmes reports	Director: Corporate Services

				Number of WSP programmes implemented	Work place Skills Plan are trainings conducted for capacitation of workforce. These trainings take place on a quarterly base.	MTO D-1.1	R1 590 000		15 WSP training programmes implemented by 30 June 2019	Target achieved 15 Training Programmes Implemented	👍	N/A	N/A	Attendance registers; Training programme & report,	Director: Corporate Services
				Number of participants on minimum competencies capacity building programme	Participants (Employees and Councillors) on minimum competencies is stipulated on National Treasury regulations to provide guidance on competencies required a municipal finance employees.	MTO D-1.2			7 Participants on minimum competencies capacity building programme by 30 June 2019	Target achieved 7 Participants on minimum competencies capacity building programme	👍	N/A	N/A	Attendance registers & Results	Director: Corporate Services
				Facilitate engagement	Process Controller learnership is a training	MTO D-1.3			Facilitate engagement	Target not achieved	👎	N/A	N/A	Bid Documents	Director: Corporate

				of Employees undergoing Process Controller learnership	programme aimed at capacitating water services employees. The duration of the training will be 12 months and attendance session will be conducted on quarterly base.				of 25 Employees undergoing Process Controller learnership by 30 June 2019	Facilitate engagement of 25 Employees undergoing Process Controller learnership					Services
				Number of employment Equity Plan reviewed and facilitate implementation	Employment Equity Plan will address the issues of unfair discriminations in the workplace and achieve equitable representation of employees from designated groups. This plan is reviewed on an annual base to ensure that all recruitment	MTO D-1.4	R250 000		1 Employment Equity Plan reviewed and facilitate implementation by 30 June 2019	Target achieved :1 Employment Equity Plan reviewed and facilitate implementation	👍	N/A	N/A	Adverts, Employment Equity report, Appointment Letters, Recruitment reports	Director: Corporate Services

					process are in line with the plan.										
				Number of vacant funded positions filled	Vacant funded positions are vacancies that emanates from the approved organizational structure that will be funded.	MTO D-1.5	R2 772 022.38		40 funded vacant positions filled by 30 June 2019	Target achieved 49 funded vacant positions filled	👍	Over achievement due to placement positions finalised in April 2019	N/A	Adverts , Appointment Letters, Recruitment report,	Director: Corporate Services
				Number of reviewed Staff Establishment	A consultation process is undertaken with all directorates in the CHDM for inputs that will be included in the existing staff establishment (Organisational Structure). The staff establishment will then be presented to LLF before it is tabled to	MTO D-1.6	R1 200 000		1 reviewed staff establishment and approved by 30 June 2019	Target Achieved 1 reviewed staff establishment approved	👍	N/A	N/A	Council resolution, Approved staff establishment	Director: Corporate Services

					Council for approval.										
					Numb er of CHD M Job Descri ptions writte n	After the staff establishment have been approved new posts are identified which will require JDs as it is the municipality responsibility to write job description for all posts that are in the staff establishment.	MTO D-1.7		50 CHD M Job descri ptions written by 30 June 2019	Target not achieved 27 Jobs written	?	Non prioriti sation of job descri ption review sessio ns by directo rates.	Job descri ptions review sessio ns in line with job archite cture resche duled and under way.	JD writing report	Director: Corporat e Services
					Numb er of Distric t Job Evalu ation Com mittee meetings condu cted	Provincial Outcomes reports are reports of all evaluated job descriptions submitted by Chris Hani District Municipality and all local municipalities to the District Job	MTO D-1.8		2 Distric t Job Evalu ation Comm ittee meetings condu cted by 30 June	Target not achieved  2 District Job Evaluatio n Committe es convened later cancelled due to	?	Non co-operat ion and lack of quorum for sitting of Distric t Job Evalu ation	Resus cite the DJEC and nominat ion of new memb ers to serve in the structu	District Job Evaluat ion Commite es minute s	Director: Corporat e Services






				Number of Local Labour Forum meetings convened	LLF ensure that there is a sound employer and employee relations within the district. These forum are conduct on the quarterly base.	MTO D-1.9.1	R100 000		4 Local Labour Forum Meetings convened by 30 June 2019	Target exceeded - 5 LLF's meeting convened 3 LLF ordinary & 2 Special LLF meetings convened	👍	There were matters of mutual interest that required attention of the parties	N/A	Attendance register ; Minutes of the meeting	Director: Corporate Services
Integrated Health, Wellness and Safety		Increased productivity and improved service delivery	Implement Integrated health, wellness and safety programmes	Number of Integrated Health, Wellness, and Safety Programmes implemented	Integration of Health, Wellness, Mainstreaming and Safety Programmes that educates and ensures safety of employees, councillors, traditional leaders, managers and their families.	MTO D-2	R3 200 000	28 Programmes	4 Integrated Health, Wellness, Safety programmes implemented by 30 June 2019	Target achieved 4 Integrated Health, Wellness, Safety programmes implemented	👍	N/A	N/A	Report on Integrated Health, Wellness, Mainstreaming and Safety Programmes implemented	Director: Corporate Services
				Number of Health and Welln	Health and Wellness programmes are both preventative,	MTO D-2.1	R2 000 000		2 Welln ess and Health	Target achieved 2 Wellness	👍	N/A	N/A	Programme reports and attenda	Director: Corporate Services

				ess Progr amme s imple mente d	rehabilitative, support and care programmes implemented through education, counselling and aftercare for employees, councillors, traditional leaders, managers and their families.				Progr amme s imple mente d by 30 June 2019.	and Health Program mes implemen ted				nce register	
				Numb er of Welln ess Progr amme s imple mente d	Wellness Programmes assist employees, councillors, traditional leaders, managers and their families with counselling, life coaching, substance abuse, rehabilitation and healthy lifestyle.	MTO D- 2.1.1	R1 300 000		3 Welln ess Progr amme s imple mente d by 30 June 2019	Target achieved  3 Wellness Program mes implemen ted	👉	N/A	N/A	Progra mme reports and attenda nce register	Director: Corporat e Services

				Number of counselling and Life coaching programme implemented	Counselling and Life coaching assist employees, councillors, traditional leaders, managers and their families with life skills on coping with life challenges.	MTO D-2.1.1.1	R250 000		4 Counselling and Life coaching programme implemented by 30 June 2019	Target Achieved 4 Counselling and Life coaching programme implemented	👍	N/A	N/A	Programme reports and attendance register	Director: Corporate Services
				Number of substance abuse programmes implemented	Substance abuse programmes provides preventative and rehabilitative assistance to employees, councillors, traditional leaders, managers and their families with life skills on coping with life challenges.	MTO D-2.1.1.2	R300 000		4 Substance abuse programmes implemented by 30 June 2019	Target Achieved 4 Substance abuse programmes implemented	👍	N/A	N/A	Capacity building Programme report, attendance register, Assessment rehabilitation (out-patient)	Director: Corporate Services

				Number of Organizational Wellness and Mainstreaming programmes implemented	Organizational Wellness and Mainstreaming programmes are institutional programmes aimed at building team work, managing the institutional change and ensuring that the vulnerable groups are mainstreamed into the core business on the institution.	MTO D-2.1.1.3	R750 000		4 Organizational Wellness and Mainstreaming programmes implemented	Target Achieved 4 Organizational Wellness and Mainstreaming programmes implemented	👍	N/A	N/A	Programme report, Attendance registers	Director: Corporate Services
				Number of healthy lifestyle and health management programmes implemented	Healthy lifestyle and health management programmes provides educational, therapeutic, rehabilitative, supportive and caring to employees, councillors, traditional leaders,	MTO D-2.1.2	R700 000		5 Health Management Programmes, 3 healthy lifestyle and 2 educational	Target Achieved 5 Health Management Programmes, 3 healthy lifestyle and 2 educational management]	👍	N/A	N/A	reports and attendance registers	Director: Corporate Services

				d	managers and their families.				mana gemen t] imple mente d by 30 June 2019	implemen ted					
				Numb er of OHS Progr amme s imple mente d	Occupational Health and Safety Programmes are programmes aimed at promoting a healthy and safe work environment through protection of employees against hazards to their health and safety arising out of the work they perform as well as protection of any other person who may be	MTO D-2.2	R6 975 580		2 OH Safety Progr amme s imple mente d by 30 June 2019	Target achieved  2 OH Safety Program mes implemen ted		N/A	N/A	Assess ment and vaccina tion reports & register s	Director: Corporat e Services

					exposed to hazards in the work place environment.											
					Number of employees medically assessed, vaccinated and health risk assessment conducted.	Medical assessments are medical tests which are conducted to measure and monitor exposure of employees to Occupational Health hazards. Vaccinations are prevention measures which are taken to prevent employees from contracting occupational diseases such as Hepatitis. Employees who are exposed to health hazards are prioritised for medical	MTO D-2.2.1	R1 200 000		500 employees medically assessed, vaccinated and 1 health risk assessment conducted by 30 June 2019	Target Exceeded 585 employees medically assessed, vaccinated and 1 health risk assessment conducted (Intsika Yethu)	👉	Annual target for medical assessments and vaccinations was overachieved due to emergency situation at ICT and a need for the medical assessments and vaccinations.	N/A	Assessment and vaccination reports & registers	Director: Corporate Services

					assessments and vaccinations. These assessments are conducted annually										
				No of employees provided with Personal Protective Clothing and hygiene consumables	Personal Protective Equipment and Hygiene consumables are equipment including clothing which are provided to the employees by the employer as one of the control measures taken by the employer to mitigate against the risk of harm that may be caused by safety or health hazards in the workplace	MTO D-2.2.2	R5 775 580		600 employees provided with Personal protective clothing and hygiene consumables by 30 June 2019	Target Exceeded  726 employees provided with Personal protective clothing and 600 employees were provided with hygiene consumables	👉	Annual target for provision of PPE was overachieved due to high demand for PPE.	N/A	Signed distribution register and reports	Director: Corporate Services



					environment.										
Asset Management	To ensure effective Management of Municipal assets.	Sustainable delivery of services	Implementation of Fleet Management Policy	Number of Municipal vehicles managed	Municipal vehicles managed will focus on acquisition of municipal vehicles and maintenance of existing municipal vehicles.	MTO D - 3	R272 500 000	77 Vehicles in place	99 Municipal Vehicles Managed by 30 June 2019	Target achieved 99 Municipal Vehicles Managed	👉	N/A	N/A	Municipal vehicles reports	Director: Corporate Services
				Number of municipal Vehicles Maintained	Municipal vehicles Maintenance will focus on services, repairs, fitment of accessories and licensing of vehicles.	MTO D 3.1	R262 500 000		77 Municipal Vehicles Maintained by 30 June 2019	Target achieved 77 municipal vehicles maintained	👉	N/A	N/A	Maintenance report	Director: Corporate Services
				Number of Municipal Vehicles acquired	Municipal vehicles will focus on acquisition of municipal vehicles.	MTO D 3.2	R10 000 000		22 Municipal Vehicles acquired by	Target exceeded 23 vehicles acquired	👉	The municipality received funding for	N/A	Orders and Delivery Notes	Director: Corporate Services

				ed					30 June 2019			droug ht relief and as such water cutting was part of it.			
			Imple menta tion of Facilit y Mana geme nt Plan	% of works in the constr uction of Chris Hani Villag e	The construction of a new office park. For this current year the following activities will be conducted as per the Construction plan; 1. Site establishment 2. 2 The development and Implementatio n of the decanting plan (relocation of assets) and 3. Commenceme nt of works	MTO D - 4	R55 000 000	Nil	2% work constr ucted of Chris Hani Villag e phase 1 by 30 June 2019	Target not achieved  (0.61) work construct ed on Chris Hani Village phase 1		Challe nge with water provisi on. Delay s in water and sewer points on site.	Plan revise d to meet the set target	Site meetin g minute s, Status reports, Constr uction plan, Decanti ng plan,	Director: Corporat e Services

				Number of buildings Refurbished	Building Refurbishment entails the maintenance of immovable assets to ensure that their habitable. For this current year the municipality will refurbish three municipal offices namely; Sakhisizwe Site office, Cradock Site office and Bells road premises as per the maintenance plan.	MTO D - 5	R20 000 000	1 Building Refurbished	03 Buildings Refurbished by 30 June 2019	Target Achieved 03 Buildings Refurbished	👉	Challenges in procuring service providers	Use of contractor development policy processes be revoked.	Status reports, Completion certificate, Site meeting minutes, Maintenance plan	Director: Corporate Services
Asset Management	To ensure effective Management of Munic	Sustainable delivery of services	Development and Implementation of Security Management	Facilitate the appointment of service providers	The focus of the Security Management Plan is to ensure that assets are safeguarded in accordance with plans in	MTO D - 6	R20 475 000	Nil	Facilitate the appointment of service providers	Target Achieved Facilitated the appointment of service	👉	N/A	N/A	email, correspondence	Director: Corporate Services

	ipal asset s		geme nt Plan	ers	four cluster sites. The plans will be developed after Security Risk Assessments have been developed and the appointment of four Security Management service provider.				ers by 30 June 2019	providers					
			Imple menta tion of Work Study Repor t on Busin ess Integr ation Techn ology enabl ement	Numb er of ICT Progr amme s Imple mente d	To identify, provide, support and maintain, business systems and solutions and IT Infrastructure and to provide sound governance on management of ICT.	MTO D - 7	R4 500 000	4 ICT Program mes	4 ICT progra mmes imple mente d by 30 June 2019	Target not achieved  1 ICT program mes implemen ted		Exten sive consul tations proces s to be follow ed with differe nt units requir ed.	Revisi on of the activiti es on the roadm ap.	ICT reports	Director: Corporat e Services

				Number of ICT infrastructure upgrades	ICT infrastructure upgrade seeks to improve network availability, reliability and stability. The process will entail cabling of Bells road office during the phase 2 renovations and purchasing of generators for satellite offices. The report will be compiled and submitted on a quarterly base to the standing committees.	MTO D-7.1			3 ICT infrastructure upgrades by 30 June 2019	Target Achieved	👍	N/A	N/A	Order, Invoice	Director: Corporate Services
				No of e-government programmes implemented	E-Government is the use of ICT to improve the activities of the municipality it also includes	MTO D-7.2			1 e-government programmes implemented	Target not achieved	👎	Second Line Support did not deliver until their	Procurement Process to unfold in 1st Quarter	Bid Documents	Director: Corporate Services

				mente d	G2G (Government to Government), G2B (Government to Business) and G2C (Government to Citizens). The process will entail implementatio n of SharePoint portal (implementing G2G) for Content management, Business intelligence and Workflows.				(Imple menta tion of Share Point) by 30 June 2019			contra ct expire d	r		
				Numb er of work study integr ation report s compil ed and	Work study on system integration will be implemented in phases according to the road map and a work study report will be	MTO D-7.3			4 Work study integr ation report s compil ed and submit	Target not achieved  1 Work study integratio n reports compiled and		Exten sive consul tations proces s to be follow ed with differe nt	Revisi on of the activiti es on the roadm ap.	Report s on implem entatio n of work- study	Director: Corporat e Services

				submitted	compiled on a quarterly base and submitted to council committees.				ted by 30 June 2019	submitted		units required.			
				Number of service migration reports compiled and submitted	A Disaster Recovery site will be established data will be migrated to that DR site in phases according to various services and/or applications. The data migration report will be compiled on a quarterly base and submitted to council committees.	MTO D-7.4			4 Service migration reports compiled and submitted by 30 June 2019	Target not achieved		Identification of the disaster recovery site and mode a challenge	Explore alternative option and engage key stakeholders	CHDM Disaster recovery & Backup Ass report	Director: Corporate Services
Administration	Ensure effective administration support	Effective support to Council and Admin	Implementation of litigation Management	Number of litigation management Programmes	Litigation management Programmes - the focus is to ensure that there is good governance (transparency,	MTO D - 8	R10 500 000	4 Litigation Programmes	04 Litigation management Programme	Target not achieved 3 Litigation management		Unavailability of dates as Attorneys fully	Prioritised in the next financial year	Quarterly Reports; Attendance registers,	Director: Corporate Services

	rt and legal servic es	nistra tion	Strate gy	amme s imple mente d	accountability and clean administration ) is embedded in the day to running of the municipality. The Litigation management Programmes serves as a proactive tool in the prevention potential litigations emanating from operations the municipality. These programmes are inform of campaigns conducted on a quarterly base.				s imple mente d by 30 June 2019	Program mes implemen ted		commi tted to other legal matter s for the Munici pality		Progra mme	
			Effecti ve admin istrati on suppo rt	Numb er of Admin istrati on suppo rt progr	Administration support programmes focuses on providing support to council and management	MTO D - 09	R2 000 000	04 Admin Support programm e	4 Admin istratio n suppo rt progra mmes	Target Achieved  3 Administ ration support program		N/A	N/A	Quarter ly Report s; Attend ance register s,	Director: Corporat e Services



				amme s imple mente d	by way of providing campaigns relating to decision making, legislative and policy development. Review of the rules and orders of council and submission of reports to council and related structures.				imple mente d by 30 June 2019	mes implemen ted				Progra mme	
	To ensur e effecti ve and efficie nt Recor ds Mana geme nt	Effect ive mana geme nt of Reco rds	Imple menta tion of Recor ds Mana geme nt Policy	Numb er of Recor d Mana geme nt Progr amme s imple mente d	Record Management Programmes focuses on the implementatio n of the policy to ensure that the information of the municipality is safe guarded.	MTO D - 10	OPEX	Records Managem ent Policy	03 Recor d Mana geme nt progra mmes imple mente d by 30 June 2019	Target not Achieved  02 Record Managem ent program mes implemen ted		Challe nge with budge t allocat ion as a suppo rting docum ent to the proces s	Consi deratio n of the matter throug h transv ersal contra ct	Record Manag ement progra mmes reports	Director: Corporat e Services

				Number of File Plan Awareness campaigns conducted	The File Plan Awareness campaigns will focus on ensuring that all directorates file documents in accordance with the approved File plan. These campaigns will be conducted on quarterly bases to different department.	MTO D - 10.1			4 File Plan Awareness campaigns conducted by 30 June 2019	Target achieved 4 File Plan Awareness campaigns conducted	👍	N/A	N/A	Attendance register, Report, Plan, File plan	Director: Corporate Services
				Number of Records Disposal reports compiled and submitted	Records Disposal entails identification of records for the purpose of transfer either to Provincial Archives or Destruction of Ephemeral records. A report will be compiled which will show which documents were	MTO D - 10.2			4 Records Disposal reports compiled and submitted by 30 June 2019	Target achieved 4 Records Disposal reports compiled and submitted	👍	N/A	N/A	Disposal reports	Director: Corporate Services



KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																
BROAD STRATEGIC OBJECTIVE 2: To ensure provision of Municipal Health, Environmental Management and Basic Services in a well-structured, efficient and integrated manner.																
Priority Area	Measurable Objectives	Outcome	Strategy	KPI	Indicator Descriptions	Indicator Code	Programme Budget Allocation	Baseline	SDBI P Annual Target	Actual Performance (Please indicate if achieved or not achieved)	Snapshots	Reasons for Variances	Remedial Action	Evidence	Custodian	
PMU	To ensure Universal coverage of Water and Sanitation by 2022	Quality Drinking Water	Implementation of WSDP	Number of households served with Quality basic water supply	Water supplied to households at 200 meter radius in line with RDP standards	SDI - 1	R60 506 292.2	10061 Households	1632 Households served RDP Standard by 30 June 2019	Target not achieved  83 Households served RDP Standard  1) Noluthando lukavala phase 2 (Ward 5 Emalahle ni) - 522 households -in construction		1 & 2) Additional work had to be done to explore ground water abstraction sites 3) Contractor had cash flow	1 & 2) Completion of additional work anticipated to end in the next financial year. 3) Consultant/client have engaged	Site/Technical Meetings, Attendance Registers	Director: Engineering and Technical Services	


										<p>2) jiphutha makiki phase2 (ward 6 emalahle ni) 371 households -in construction</p> <p>3) Lokishini Water Supply (ward 13 engcobo) 228 households. -in construction</p> <p>4) Upper Lufutha Interim Water Supply (ward 8 sakhisizwe) 194 was completed in previous year 5) Emqonci</p>		<p>challenges</p> <p>4) Misalignme nt of current year target s with reported baseli ne</p> <p>5) Communities appro val on the scope of work for the project delayed the imple menta tion proces s.</p> <p>6) The report was not</p>	<p>with contractor and the project will be completed by the 1st Quarter of 2019/20.</p> <p>4) Ensure alignment of previous year's target with the current year target during IDP planning the phase 5) Comm</p>		
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										(Ward 2 engcobo) 144 households -in construction 6) Lunda Village Reticulation (ward 1 engcobo) completed with 83 households served with RDP Standard.		amended to reflect the correct household to be served with RDP Standard	unity approved the additional work and the project is anticipated to be completed in the 1st Quarter of 2019/20. 6) A revised report has been requested from consultant.		
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				Number of Water reticulation projects completed	Water reticulation network(water pipelines, standtaps, reservoirs, pump stations) supplied to a village in line with RDP standards (200meter radius)	SDI - 2		35 Water Reticulation projects completed	6 Water reticulation projects completed by 30 June 2019	Target not achieved  2 Water reticulation projects completed	1 & 2) Additional work had to be done to source water shortage 3) Contractor had cash flow challenges 4) Communities approval on the scope of work for the project delayed the implementation	1 & 2) Completion of additional work anticipated to end in 1st Quarter of 2019/20. 3) Consultant/client have engaged with contractor and the project will be completed by the 1st Quarter of 2019/2	Site/Technical Meetings, Attendance Registers	Director: Engineering and Technical 1). Nolutshando lukavala phase 2 (Ward 5 Emalahleni). - Construction 2).jiphutha makiki phase2 (ward 6 emalahleni)- Construction 3).Lokishini Water Supply 4 (ward 13 engcobo ). - construction 4) Upper Lufutha Interim Water
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												proces s.	0. 4) Comm unity approv ed the additio nal work and the project is anticip ated to be compl eted in the 1st Quarte r of 2019/2 0.		Supply) -project was complet ed in previous year. 5)Emqo nci (Ward 2 engcobo ) – construc tion  6) The report was not amende d to reflect the correct househo lds to be served with RDP Standar d Services
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WSA				Number of Bulk water supply project completed	Bulk water supply (reservoir, pumps, bulk lines) to feed a reticulation network	SDI - 3	R1 500 000	19 Bulk Water supply projects completed	3 Bulk Water Supply Project Completed by 30 June 2019	Target not achieved  1 Bulk Water Supply Project Completed		a) Contractor not on site due to cash flow problems and later terminated b) Pressure test failure on the pump station and required maintenance of the pumping main.	a) Issue a new tender in the 1st Quarter of 2019/20 b) The contractor is busy completing the outstanding work and the project will be completed in 1st Quarter of 2019/20	Site/Technical Meetings, Attendance Registers	Director: Engineering and Technical Services
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PMU				Numb er of Full SANS Audit condu cted in all 28 Water Treat ment Works	Water Treatment Works are water purification plants that purify raw water that will ultimately serve the community. The plant has to produce water that meets Microbiologica l, physical and Chemical compliance in accordance with SANS 241.	SDI - 4	R200 000	16 Water Treatment works Complyin g with SANS 241	1 Full SANS Audit condu cted in all 28 Water Treat ment Works by 30 June 2019	Target not achieved  0 Full SANS Audit condu cted in all 28 Water Treatmen t Works.		Only 8 Water Treat ment Works were audite d due to the Delay s in the appoin tment of the servic e provid er to condu ct Full SANS Audit for Water Treat ment Works	To ensure proper planni ng and submit RFQ's on time. The outsta nding 20 audit will be condu cted in the 1st Quarte r of 2019/2 0.	Full SANS Audit Report	Director: Enginee ring and Technic al Services
					Water purification plant that purifies raw water that will ultimately serve the	SDI - 5	R75 000 000	05 Water Treatment Works	01 Water Treat ment works compl eted	Target not achieved  0 Water Treatmen t works		Inade quate resour cing and site mana	Contra ctor to submit a progra m that will	Site/Te chnical Meetin gs, Attend ance Registe	Director: Enginee ring and Technic al Services

				eted	community				by 31 June 2019	complete d		geme nt	indicat e allocat ed resour ces and a plan to increa se capaci ty.	rs	
PMU		Safe Sanit ation		Numb er of house holds serve d with safe basic sanita tion	VIP toilets constructed that serve rural communities with basic sanitation	SDI - 6	R16 916 801.5 2	10645 househol ds	1394 house holds serve d by 30 June 2019	Target not achieved  1254 househol ds served with safe basic sanitation		Due to the groun d conditi ons and a new reque st for a new sanitat ion techno logy.	A field asses sment to be condu cted to deter mine on site conditi ons	Happy Letters and Sanitati on Registe r	Director: Enginee ring and Technic al Services
PMU				Numb er of Waste Water Treat ment works	Sewerage plant that was constructed treats raw sewerage from community	SDI - 7	R2 000 000	1 Waste Water Treatment works	1 Waste Water Treat ment Works compl	Target not achieved  0 Waste Water Treatmen		Contra ct was termin ated and retend	The tender is at the BAC stage	Site/Te chnical Meetin gs, Attend ance Registe	Director: Enginee ring and Technic al Services

				comple ted	sewer network.				eted by 30 June 2019	t Works complete d		ered		rs, Report s	
WSA				Numb er of Proce ss Audit condu cted in all 18 Waste Water Treat ment Works	Waste Water Treatment Works are waste water processing plants that eliminates undesirable determinants that affects the ecological environment. The plant has to meet the standards and authorisation requirements as per regulation.	SDI - 8	R200 000	16 Waste water treatment works in complying with Regulatio n 991	1Proc ess Audit condu cted in all 18 Waste Water Treat ment Works by 30 June 2019	Target achieved  1 Process Audit conduce d in all 18 Waste Water Treatmen t Works	👍	N/A	N/A	Proces s Audit report	Director: Enginee ring and Technic al Services
WSA		Susta ined Wate r Reso urce	Imple menta tion of Opera tions and Maint enanc e Plan	Numb er of Water Sche mes refurbi shed	A scheme is a supply system that provides water to the community. Refurbishment follows the operations and maintenance	SDI-9	R8 000 000	24 Water Schemes refurbishe d	02 Water Sche mes refurbi shed by 30 June 2019	Target not Achieved  1 Water Schemes refurbishe d	👎	Delay s in testing of boreh oles due to droug ht which	The project is under constr uction and will be compl eted in	Site/Te chnical Meetin gs, Attend ance Registe rs, Report s	Director: Enginee ring and Technic al Services



				cement Programmes implemented					ent Programmes implemented by 30 June 2019	ent Programmes implemented		er for Consumer and Bulk Water replacement .	Bulk Water replacement will be appointed in the next financial year.		
ROAD S	To ensure maintenance of Roads	Well maintained roads	Implementation of Roads SLA	Number of kilometres of roads maintained	Blading and regravelling of gravel roads in line with SLA between public works and District Municipality	SDI - 10	R15 426 256.0 0	2652 Km Blading and 30 Km for regravelling	2148 kilometres bladed and 30 kilometres regravelled by 30 June 2019	Target not Achieved  1051.94 kilometres bladed and 5 kilometres regravelled		Insufficient resources as well as community unrest in the area.	CHDM appointed a fixed term contractor for plant hire and a political intervention was explored to resolve the impasse.	Roads reports	Director: Engineering and Technical Services

					Blading of gravel roads in line with SLA between public works and District Municipality	SDI - 10.1			2148 kilometres of roads bladed by 30 June 2019	Target not Achieved  1051.94 kilometres of roads bladed	🔍	Insufficient resources as well as community unrest in the area.	CHDM appointed a fixed term contractor for plant hire and a political intervention was explored to resolve the impasse.	Confirmation letter from DoRP W	Director: Engineering and Technical Services
					Regravelling of gravel roads in line with SLA between public works and District Municipality	SDI- 10.2			30 kilometres of road regravelled by 30 June 2019	Target not Achieved  5 kilometres of road regravelled	🔍	Insufficient resources as well as community unrest in the area.	CHDM appointed a fixed term contractor for plant hire and a political	Confirmation letter from DoRP W, Roads SLA	Director: Engineering and Technical Services

												intervention was explored to resolve the impasse.		
PMU	To ensure universal coverage of water and sanitation by 2022	Safe Sanitation	Implementation of WSDP	Number of Waste Water Project Completed	Sewer collector pipelines and pump station constructed to collect sewer serving the waste treatment plant	SDI-11	R100 000	02 Waste Water Projects	2 Waste Water Project completed by 30 June 2019	Target not achieved 0 Waste Water Project completed	1) Molt eno project - Due delay by Eskom to connect electricity and amendment required for mechanical equipment 2) Hofmeyer sewer project -	1) Eskom is no site and for mechanical equipment were purchased and will complete the works in 1st Quarter 2019/20 2) The MIG	Site/Technical Meetings, Attendance Registers, Reports	Director: Engineering and Technical Services



												Contra ctor suspe nded work payme nt due to CHDM awaiti ng appro val of MIG budge t mainte nance	mainte nance budget was approv ed and the contra ctor on site and the project will compl ete the works in 1st Quarte r 2019/2 0		
HUMA N SETTL EMEN TS FUNC TION	To facilit ate imple menta tion of Huma n Settle ments progr amme	Susta inabl e Liveli hood s	Imple menta tion of CHD M Integr ated Huma n Settle ment Secto	Numb er of Huma n Settle ments progr amme s imple mente d	Human Settlements programmes aims at ensuring that the inhabitants within its area of jurisdiction have access to adequate Human Settlements on a	SDI - 12	R3 700 000	2 Human Settlemen t	2 Huma n Settle ments progra mmes imple mente d by 30 June	Target not achieved  1 Human Settlemen ts program mes implemen ted	⚠	The work has been suspe nded due to none appro val of design s by NHBR	The suspe nsion has been lifted and design s are in progre ss.	Human Settle ments progra mmes reports	Director: IPED

	s		r Plan		progressive basis by setting Human Settlements delivery goals, identifying suitable land for Human Settlements development and planning, facilitating, initiating and co-ordinating Human Settlements development with in the municipal jurisdiction.				2019			C.			
				Numb er of Emer gency house s constr ucted in all 6 local munici palitie s	Emergency houses aims at replacement of temporary shelters by permanent structures (disaster affected houses).	SDI - 12.1	R2 000 000		29 Emerg ency house s constr ucted in all 6 local munici palitie s 30 June 2019	Target not achieved  19 Emergen cy houses construct ed in all 6 local municipali ties		The work has been suspe nded due to none appro val of design s by NHBR C.	The suspe nsion has been lifted and design s are in progre ss.	Emerg ency house Report	Director: IPED

				Number of destitute houses constructed in all 6 local municipalities	The Chris Hani District Municipality took an initiative to build 6 houses throughout the district in each financial year targeting the worst case scenario of child headed home; victims of violence; old age people above 85 years; HIV and Aids victims and other destitute people. The plan for district is to implement the programme using the local available resources in the jurisdiction.	SDI - 12.2	R1 700 000		6 destitute houses constructed in all 6 local municipalities by 30 June 2019	Target achieved 8 destitute houses constructed in all 6 local municipalities	👍	A need was identified at Whittlesea as two families were in a dire state. This resulted in the construction of two additional destitute houses.	N/A	Appointment letter, Quarterly reports	Director: IPED
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Municipal Health Services	To provide municipal health services in accordance with relevant legislations	Health communities	Monitor compliance of waste water quality with relevant legislation	Number of waste water samples taken for compliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended	To monitor Waste Water Quality within CHDM through sampling	SDI - 13	R1 000 000	41%	36 Waste Water samples taken for compliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended by 30 June 2019	Target achieved 37 Samples taken for and compliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended	👍	A resampling was conducted to address non-compliance.	N/A	Waste Water sample results, Sample points data base	Director: Health and Community Services
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			Monitor compliance of drinking water quality with SANS 241	Number of drinking Water Sample monitored in accordance with SANS 241	To monitor Drinking Water Quality within CHDM through sampling	SDI - 14	R1 200 000	93%	2220 Drinking Water Sample monitored in accordance with SANS 241 by 30 June 2019	Target achieved  2220 Drinking Water Samples monitored in accordance with SANS 241	👍	N/A	N/A	Drinking Water sample results, Sample points data base	Director: Health and Community Services
			Monitor and support food premises in accordance with relevant legislation	Number of food premises monitored in line with Food, Cosmetics and Disinfectant Act 54 of 1972	Food Premises Inspections for compliance within CHDM	SDI - 15	R30 000	560 food premises monitored	560 food premises monitored in line with Food, Cosmetics and Disinfectant Act 54 of 1972 as	Target achieved  669 food premises were monitored in line with Food, Cosmetics and Disinfectants Act 54 of 1972 as Amended	👍	Positive variance of 109 food premises due to operation gqogq a operations that were condu	N/A	Compliance notices , Data base for food premises, Compliance check list	Director: Health and Community Services

				as Amen ded					Amen ded by 30 June 2019			cted.			
			Monit or and suppo rt funera l parlou rs in accor dance with releva nt legisla tion	Numb er of Funer al parlou rs monit ored	To monitor Funeral Undertakers/P arlours for compliance within CHDM through inspections	SDI - 16	R100 000	68 funeral parlours monitored	68 funera l parlou rs monit ored by 30 June 2019	Target achieved  72 funeral parlours monitored	👉	Positiv e varian ce of 4 monito red due to re- openin g of funera l parlou rs	N/A	Compli ance notices , Compli ance check list, Attend ance register , Resolut ion register , Forum Terms of Refere nce	Director: Health and Commu nity Services
	To provid e munic ipal health servic		Monit or compli ance with White Paper	Numb er of sampl ed sanita tion struct	To monitor sanitation structures (public ablutions and households) for compliance	SDI- 17	R50 000	240 sanitation structures inspected	120 sampl ed sanitat ion struct ures	Target achieved  120 sampled sanitation structures	👉	N/A	N/A	Report on Sanitati on structur es inspect	Director: Health and Commu nity Services

	es in accordance with relevant legislations		on Basic Household Sanitation of 2001	ures inspected in line with White Paper on Basic Household Sanitation of 2001	within CHDM through inspections				inspected in line with White Paper on Basic Household Sanitation of 2001 by 30 June 2019	inspected in line with White Paper on Basic Household Sanitation of 2001				ed	
DISASTER MANAGEMENT															
DISASTER MANAGEMENT	To ensure effects of disaster and fire are prevented or minimised		Implementation of Disaster Management Plan	% response to disaster management incidents reported	Disaster management incidents- all disaster related incidents reported from the local municipality to the district Call Centre.	SDI-18	OPEX	100%	100% response to disaster management incidents reported by 30 June 2019	Target achieved  100% response to disaster management incidents reported.	<input type="checkbox"/>	N/A	N/A	Incident Report,	Director: Health and Community Services

				% of Disaster stricken Households assisted with relief and recovery material	Disaster stricken Household - all households assisted with relief after they have been effected by disaster incidents. After a disaster incidents have been reported an Assessment report is compiled to assess the impact and type of relief to be provided.	SDI-18.1	R 830,000.00		100 % Disaster Stricken Households assisted with relief and recovery material by 30 June 2019	Target achieved 100 % Disaster Stricken Households assisted with relief and recovery material	👍	N/A	N/A	Incident Report(s), Counter book, Assessment form, Assessment Report, Distribution List	Director: Health and Community Services
FIRE SERVICES															
FIRE SERVICES	To ensure effects of disaster and fire are	Reduced fire risks	Implementation of Municipal Structures Act 117 of 1998	Number of Fire Services programmes implemented	Programmes aimed at capacitating and developing the fire department and to make the public aware of fire	SDI-19	R900 000.00	4 Fire programmes	4 Fire services programmes implemented by 30 June	Target achieved 4 Fire services programmes implemented	👍	N/A	N/A	Fire services programmes report	Director: Health and Community Services



	prevented or minimized		Sec 84 (1)(j)	d	danger and how to combat these.				2019						
				Numb er of fire servic es trainin gs imple mente d	Firefighters at local level to be trained in firefighting according to the MSA. Act 117 Of 1998.	SDI-19.1	R700 000.00		3 Fire servic es trainin g progra mmes imple mente d by 30 June 2019	Target exceeded  4 Fire services trainings program mes implemen ted during the year	👍	Over achiev ed by 1 due to an additio nal trainin g provid ed in partne rship with the depart ment of Cogta.	N/A	Attend ance register , Trainin g report, course outline,	Director: Health and Commu nity Services
				Numb er of fire servic es aware ness progr amme s	This program is to make the public aware of fire danger and how to combat these.	SDI-19.2	R 200,000.00		24 Fire Servic es Aware ness progra mmes imple mente	Target achieved  61 Fire Services awarenes s program mes implemen	👍	Over achiev ed by 37 aware ness progra mmes due to high	N/A	Attend ance register , Report on Fire service awaren ess progra	Director: Health and Commu nity Services

				imple mente d					d by 30 June 2019	ted.		dema nd from local munici palitie s and comm unities .		mme, schedu le of fire awaren ess progra mmes	
				Numb er of fire servic es Inspe ctions condu cted	Inspections to be conducted in public places to prevent the outbreak of fires	SDI- 19.3	OPEX		20 fire servic es Inspec tion Condu cted by 30 June 2019	Target achieved  32 Fire inspection s conducte d.	👍	Positiv e varian ce of 12 fire inspec tions due to high dema nd from local munici palitie s and comm unities .	N/A	Inspect ion Report, Inspect ion Certific ate, Check list	Director: Health and Commu nity Services

				Number of fire incidents reports compiled and submitted	100% response to reported incidents according to MSA Act 117 of 1998.	SDI-19.4	OPEX		4 Fire incidents reports compiled and submitted 30 June 2019	Target achieved 4 Fire incidents reports compiled	👍	N/A	N/A	Incident Report, Fire reports	Director: Health and Community Services
Environmental Management	To promote functional ecosystems and healthy environment for all citizens	Minimise effects of Climate Change	Implementation of District Wide Environmental Management Plan	Number of Environmental Programmes implemented as per District Wide Environmental Plan	Environmental Programmes seeks to minimise negative impacts on the environment and promote sustainable environmental practices. Enhance community involvement in environmental management and reduce effects of Climate Change.	SDI-20	5,500,000	3 Programme	3 Environmental Programmes implemented as per District Wide Environmental Management Plan by 30 June	Target achieved 3 Environmental Programmes implemented as per District Wide Environmental Management Plan	👍	N/A	N/A	Environmental Programmes implemented as per District Wide Environmental Management Report	Director: Health and Community Services

									2019						
				Number of Alien invasive and Bush encroaching plant management programme implemented	Alien Invasive and Bush Encroaching Plant Management Strategy 2017-2022 is a tool to ensure effective management of alien invasive and bush encroaching plants (Silver or Black Wattle and Euroyps/Lape si) that are currently spreading throughout the	SDI-20.1	R2 000 000		1 Alien invasive and Bush encroaching plant management programmes implemented by 30 June 2019	Target achieved  1 Alien invasive and Bush encroaching plant management programmes implemented	👉	N/A	N/A	Quarterly implementation report submitted to Standing Committee, Business Plan/Proposal, Inspection report	Director: Health and Community Services


					District.										
				Number of climate change programmes implemented	The Climate Change Strategy seeks to provide a District Approach on how to reduce the impacts and effects of Climate Change. Promote awareness in the District with matters relating to climate change.	SDI-20.2	R200 000		1 Climate change programmes implemented by 30 June 2019	Target Achieved  1 Climate change programmes implemented	👍	N/A	N/A	Report, Business/Work Plan,	Director: Health and Community Services

				Number of illegal dumping sites cleared and rehabilitated in the district	To clear and rehabilitate waste illegal dumping sites created by communities in different local municipalities through cleaning, greening and beautification.	SDI-20.3	R3 300 000		6 illegal dumping sites cleared and rehabilitated in the district by 30 June 2019	Target not achieved  6 illegal dumping sites cleared.	⚠	Delays in the transfer of funds for clearing and rehabilitation of waste illegal dumping sites in Emalahleni. And Intsika Yethu local municipalities. Enoch Mgijima and Inxuba Yethemba local municipalities. All four waste illegal dumping	Funds were transferred to Intsika Yethu and Emalahleni local municipalities. A service provider was appointed for both Enoch Mgijima and Inxuba Yethemba local municipalities. All four waste illegal dumping	Consultation report, Attendance registers, Orders,	Director: Health and Community Services
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**BROAD STRATEGIC OBJECTIVE 3:** To ensure development and implementation of regional economic strategies and effective Spatial Planning and Land Use Management approaches as drivers for economies of scale and social cohesion.

**KPA 3: LOCAL ECONOMIC DEVELOPMENT**

Priority Area	Measurable Objectives	Outcome	Strategy	KPI	Indicator Descriptions	Indicator Code	Programme Budget Allocation	Baseline	SDBI P Annual Target	Actual Performance (Please indicate if achieved or not achieved)	Snapshots	Reasons for Variances	Remedial Action	Evidence	Custodian
TOWN PLANNING	To ensure provision for the inclusive developmental, equitable and efficient spatial planning by 2030	Transformed spaces and inclusive land use	Implementation of Spluma	Number of spatial planning programme implemented as per SPLUMA	Spatial planning is a process for land use transformation it includes 1. Tribunal sittings 2. Township establishment (Land use management) 3. Land Audit	LED-1	R3 680 000	04 SPLUMA programmes	03 Spatial planning programmes implemented as per SPLUMA by 30 June 2019	Target Achieved  3 Spatial Planning targets achieved, (1. Tribunal set for each Quarter 2. Facilitated formalisation of Rosmead & Developed ToR for Ezibeleni STR, 3.		N/A	N/A	Attendance Register of tribunal, Resolution register, Signed Minutes, Bid documents, Terms of reference	Director :IPED



										Facilitate d Implemen tation of RAFI Framework for Mapping)					
			Imple menta tion of small town revitali zation progr amme s	Numb er of small town revitali zation progr amme s suppo rted	Small town revitalization programmes includes paving, Hawker stalls, signage and street furniture.	LED- 2	R4 500 000	4 Small Town programm es	03 Small Town Revita lizatio n progra mmes suppo rted by 30 June 2019	Target not achieved  2 STR's supported		Submi tted report is incom plete and did not meet the requir ed audit standa rds.	To engag e Intern al audit in packa ging the report the requir ed standa rds.	Signed SLA's, quarterl y reports.	Director :IPED
Agricul tural Develo pment	To Contri bute econo mic devel opment and	Impro ved regio nal econ omy	Imple menta tion of CHRE DS	Numb er of Agricu lture progr amme s imple	Agriculture programmes that improve agricultural livelihood of our communities.	LED - 3		5 Program mes	05 Agricu lture Progr amme s imple mente	Target achieved  05 Agricultur e Program mes		N/A	N/A	Agricult ure Progra mmes reports	Director :IPED

	growth in the district as envisaged in the NDP			mentend					d (1.Poverty Alleviation Agricultural Programme , 2. livestock improvement Programme , 3.Infrastructure development Programme , 4. Dry land cropping programme (RAFI) , 5.Irrigation	implemented					
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									schemes programme) by 30 June 2019						
				Number of Poverty Alleviation Agricultural Programme Implemented	Poverty Alleviation are Non-income generating projects support to small scale poultry and piggery projects in order to provide relief in poverty.	LED-3.1	R200 000		1 Poverty Alleviation Agricultural Programme Implemented by 30 June 2019	Target Achieved  1 Poverty Alleviation Agricultural Programme Implemented - Elliot piggery project supported (material for pig stock), Encobo poultry supported ( feed),	👍	N/A	N/A	Attendance register , Invitation Letters, monitoring tool. Delivery notes	Director :IPED
				Number of livestock impro	Livestock Improvement: It's an animal health programme	LED-3.2	R2 600 000		1 livestock impro veme	Target Achieved  1 livestock	👍	N/A	N/A	Signed SLA, Proof of Transfe	Director :IPED

				vement programme implemented through CHDA in 6 LM's	which includes Inoculation and Dosing of livestock.				nt programme implemented through CHDA in 6 LM's by 30 June 2019	improvement programme implemented through CHDA in all 6 LM's				r, Monitoring tool	
				Number of infrastructure development project implemented and Existing Custom feeding facilities	Completion of sheep Dipping tanks in Zulukama area and provision of feed to existing custom feeding projects	LED-3.3	R1 800 000		1 Infrastructure development project implemented and 2 Existing Custom feeding facilities supported	Target Achieved  1 Infrastructure development project implemented and 2 Existing Custom feeding facilities supported  (1.Zulukama infrastructure	👍	N/A	N/A	Signed SLA, Proof of Transfer Monitoring tool, Completion certificate,	Director :IPED

				supported					completed by 30 June 2019	project implemented (14 small stock dipping tanks completed) 2. support to custom feeding provided (container for Karmastone feeding facility procured)					
				Number of Dry land cropping programme (RAFI) supported in 2 LM's (Engcobo)	Pilot and Planning for implementation of Rural Agri-industries and Finance Initiative (RAFI)	LED-3.4	R8 000 000		1 Dry land cropping programme (RAFI) supported in 2 LM's (Engcobo LM and Intsika)	Target Achieved 1 Dry land cropping programme (RAFI) supported in 2 LM's (Engcobo LM: Ntlalukana and	👍	N/A	N/A	Signed SLA's, Proof of Transfer, Monitoring tool, Quarterly report	Director: IPED

				obo LM and Intsik a Yethu LM )					Yethu LM )by 30 June 2019	Xuka) and Intsika Yethu LM Ngudle)					
				Numb er of irrigati on sche mes suppo rted as per SLA with CHDA	Irrigation Schemes is an arena where crops or plants are grown through irrigation systems	LED- 3.5	R3 000 000		2 irrigati on schem es suppo rted as per SLA with CHDA (1.Shiloh: Grape , Pome granat e 2. Qama ta: Mech anisati on) by 30 June 2019	Target Achieved  2 irrigation schemes supported as per SLA with CHDA 1.Shiloh: Grape, Pomegra nate 2. Qamata: Mechanis ation. Additional to the two irrigations schemes Bilatye was also supported ( Piggery project)	👍	N/A	N/A	Signed SLA, Proof of Transfe r, Monitor ing tool, Quarter ly report	Director :IPED

SMME SUPP ORT				Number of SMM E program s Imple mente d as per conce pt docu ment	SMME programmes entails support (financial support to both Enterprise and Industrial, and capacity for Enterprise) to the following programmes throughout the district.	LED- 4	R5 000 000	3 Program mes	03 SMM E progra mmes imple mente d as per conce pt docu ment by 30 June 2019	Target Achieved  03 SMME program mes implemen ted as per concept document	👍	N/A	N/A	Monitor ing tool, Hand over certific ate	Director :IPED
				% budge t spent on local busin esses as per Prefer ential Procu remen t regula tion monit ored	Monitoring the implementatio n of PPPFA regulation. The monitory process will be done on quarterly base informed by reports finance departments.	LED- 5	OPEX	MFMA Circular & contractor developm ent policy	30% of budge t spent on local busine sses as per prefer ential procu rement monit ored by 30 June	Target Achieved  30% of budget spent on local businesse s as per preferenti al procurem ent monitored	👍	N/A	N/A	Contra ctor Develo pment Policy, Monitor ing report	Director :IPED

									2019						
TOURISM & HERITAGE DEVELOPMENT				Number of tourism & Heritage programmes implemented	Tourism programmes seeks to identify, develop and market tourism opportunities for economic development for the district. Heritage programmes seeks to identify and preserve liberation heritage sites within the district.	LED-6		03 tourism and 03 Heritage Programmes	06 Tourism and heritage programmes implemented by 30 June 2019	Target not achieved 05 Tourism and heritage programmes implemented	🔴	Emalahleni Local Municipality LTO was not properly instituted and Enoch Mgijima Local Municipality LTO had internal instability.	Re-establish a committee for Emalahleni Local Municipality LTO and CHDM to coordinate a session with both Enoch Mgijima Local Municipality and CHAR TO	SLA, Business plan attendance register, stall visitors registration	Director: IPED



				Number of tourism programmes implemented	Tourism programmes seeks to identify, develop and market tourism opportunities for economic development for the district	LED-6.1			3 Tourism Programmes implemented by 30 June 2019	Target not achieved 2 Tourism Programmes implemented	🔍	Emalahleni Local Municipality LTO was not properly instituted and Enoch Mgijima Local Municipality LTO had internal instability.	Re-establish a committee for Emalahleni Local Municipality LTO and CHDM to coordinate a session with both Enoch Mgijima Local Municipality and CHAR TO	Attendance register, Resolution register, SLA, Report, Business plan, stall visitors registration, Monitoring reports, ToR,	Director: IPED
				Number of LTOs supported through	CHARTO is a District Tourism Organisation that is responsible	LED - 6.1.1	R900 000		5 LTOs supported (Intsikaba	Target not achieved 3 LTOs supported	🔍	Inability to support LTOs from	CHDM to ensure re-establishment	Attendance register, SLA and proof of	Director: IPED

				h CHAR TO	for the marketing of Chris Hani District as a preferred tourism destination through a Service Level Agreement signed with the District Municipality. CHARTO is allocated funds to support Local Tourism Organisations and to coordinate marketing of the Tourism Destination Brand also to run and maintain the District Tourist Information Centre situated at Enoch Mgijima Local Municipality.				Yethu LM, Inxuba Yethemba LM, Engcobo LM, Emalahleni LM, Enoch Mgijima LM) through CHARTO by 30 June 2019	(Intsika Yethu LM, Inxuba Yethemba LM, Engcobo LM) through CHARTO		Emalahleni and Enoch Mgijima Local Municipalities due to internal instability at local municipality level.	t of a committee for Emalahleni Local Municipality LTO and convene a session with both Enoch Mgijima Local Municipality and CHARTO.	transfer . Monitoring reports	
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				Number of Arts & Craft supported	Arts and Culture Programme provides a definition of art, craft, design and entertainment. The programme serves as a platform for designers, artist and crafters to promote and market their products locally and Nationally	LED - 6.1.2	R100 000		2 Arts & Craft supported by 30 June 2019	Target Achieved  2 Arts & Craft supported ( Inkcubek ho Yethu Fashion show and Masimanyane Beeld Craft Market)	👍	N/A	N/A	Terms of reference, SLA, Proof of payment, Appointment letter of service provider for the Beeld Show	Director :IPED
				Number of Tourism Destination Marketing Programmes attended	Destination marketing is a major part of the 'Implementation' process; it is the articulation and communication of the values, vision and competitive attributes of	LED - 6.1.3	R200 000		1 Tourism Destination Marketing Programmes attended by 30 June	Target Achieved  1 Tourism Destination Marketing Programmes attended (Annual Tourism Indaba). Additional to	👍	N/A	N/A	Attendance register, orders and pictures. Visitors register, report, Registration of stalls	Director :IPED

					the destination. Chris Hani District Municipality has developed its own Tourism Destination Brand “The Eastern Cape Midlands”. It is Marketed on 2 Shows namely the Beeld Holiday Show and Tourism Indaba				2019	Tourism Indaba we also attended Beeld Show					,RFQ	
				Number of Heritage programmes implemented	Heritage programmes seeks to identify and preserve liberation heritage sites within the district.	LED - 6.2			3 Heritage Programmes implemented (1. Heritage Month programme 2. Chris Hani	Target achieved 3 Heritage Programmes implemented	👍	N/A	N/A	Report on Heritage Programmes reports	Director :IPED	

									Month programme 3. Preservation of Sabalele Site) by 30 June 2019						
				Number of Programmes implemented to Preserve Sabalele Site	Sabalele site is situated at Sabalele Village at Intsika Yethu Municipality. It is one of the priority sites of the Liberation Heritage Route.	LED-6.2.1	R800 000		1 Programme implemented to Preserve Sabalele Site by 30 June 2019	Target Achieved 1 Programmes implemented to Preserve Sabalele Site( institutional support to Sabalele Centre provided)	👉	N/A	N/A	SLA ,Proof of payment and Quarterly reports, monitoring reports	Director :IPED

				Number of Heritage Month Programmes implemented as per concept documents	Heritage month is set aside to celebrate the diverse cultures of our country, foster interest, appreciation and tolerance of culture, traditions and practices of others. It also recognises aspects of South African culture which are both tangible and intangible. To commemorate this month, a number of events are organised at various municipalities constituting Chris Hani District Municipality.	LED-6.2.2	R1 000 000		1 Heritage Month Programmes implemented as per concept documents by 30 June 2019	Target Achieved 1 Heritage Month Programmes implemented as per concept documents (Jazz festival, Horse racing, Coral Music)	👍	N/A	N/A	SLA, Approved Concept Document for Heritage month. Heritage Month Programmes report	Director :IPED
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FORESTRY DEVELOPMENT				Number of Chris Hani Month Programmes implemented as per concept documents	Chris Hani District Municipality resolved to declare the month of April as Chris Hani month and be celebrated annually. To commemorate this month, a number of events are organised at various municipalities constituting Chris Hani District Municipality, the events range from launching of projects, sport activities, delivering memorial lectures.	LED-6.2.3	R5 400 000		1 Chris Hani Month Programmes implemented as per concept documents by 30 June 2019	Target Achieved 1 Chris Hani Month Programmes implemented as per concept documents (Chris Hani freedom marathon, handing over of service delivery projects)	👉	N/A	N/A	SLA, Approved Concept Document for Chris Hani month, Chris Hani month Programmes report	Director :IPED
				Number of Forestry programmes	Forestry programmes aims at supporting and upgrading local	LED - 7	R2 300 000	03 Programmes	03 Forestry Programmes	Target achieved 02 Forestry Program	👉	N/A	N/A	Attendance register, resolution	Director :IPED

				s imple mente d	community project to enable their projects into business enterprises that will grow the economy.				imple mente d by 30 June 2019	mes implemen ted				register , Minute s, Compl etion certific ate, orders, quarterl y reports, picture s, Deliver y notes MOU (IYM LM & CHDM) monitor ing report	
				Numb er of Charc oal progr amme s suppo rted	Provision of support (Supply with protective clothing, and equipment's) to charcoal programmes implemented at Ngcobo and Sakhisizwe	LED - 7.1	R600 000		2 Charc oal progra mme suppo rted by 30 June 2019	Target not achieved:  1 Charcoal program me supported at Engcobo		Due to instabi lity at Sakhis izwe Local Munici pality	Engag e Sakhis izwe Local Munici pality and establi sh a new partne	Orders and Deliver y notes	Director :IPED



					LM's					LM			rship for the Charc oal progra mmes			
					Numb er of Nurse ry progr amme s suppo rted	Provision of support (Supply with protective clothing and equipment's) for the implementatio n of Vusisizwe Corporation (KwaJO) tree- nursery project. The service level agreement will be concluded with CHDM and Intsika Yethu LM.	LED - 7.2	R1 000 000		1 Nurse ry progra mmes suppo rted by 30 June 2019	Target Achieved  1 Nursery program mes supported (refurbish ment of greenhou se, project manager supported through Intsika Yethu and secured an offtake agreemen t with Hansmer esky)	👍	N/A	N/A	Orders and Deliver y notes, Quarter ly reports,	Director :IPED

				Number of Sawmilling and Afforestation programmes supported	Provision of support (Supply with protective clothing, and equipment's) for Sawmilling and Afforestation projects at Intsika Yethu, Sakhisizwe and Engcobo Local Municipalities	LED - 7.3	R700 000		1 Sawmilling and Afforestation programme supported by 30 June 2019	Target Achieved 1 Sawmilling (PPE procured. 2. Afforestation programme supported (fencing of delville trust community woodlot at Sakhisizwe, Goboti community woodlot fenced and restructured)	👍	N/A	N/A	Orders and Delivery notes, Quarterly reports,	Director :IPED
LOCAL ECONOMIC DEVELOPMENT		Improved regional economy	Implementation of EPWP Policy	Number of jobs created through EPWP	EPWP Jobs created for communities on District Municipality projects	LED - 8	R6 158 000	2200 EPWP Jobs	1500 jobs created through EPWP by 30	Target exceeded 3383 jobs created through EPWP	👍	The institution had to adhere to the target	N/A	EPWP Report	Director :IPED/Strategic Management Services Health and

				P					June 2019.			set by the Department of Public works.			Community Services
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT															
Broader Objective 4 :To Ensure an Efficient and Co-ordinated Financial Management that Enables CHDM to deliver its Mandate															
Priority Area	Measurable Objectives	Outcome	Strategy	KPI	Indicator Descriptions	Indicator Code	Programme Budget Allocation	Baseline	SDBI P Annual Target	Actual Performance (Please indicate if achieved or not achieved)	Snapshot	Reasons for Variances	Remedial Action	Evidence	Custodian
BUDGET PLANING	Ensure sound financial management	Sound financial Management and compliance with legislation	Completion of Credible Budgets and financial reports	Number of Credible budgets and financial reports compiled and approved	Council approved budgets and financial budget reports that are submitted Council and Treasury.	FMV - 1	OPEX	4 Credible Budgets and 16 Financial Reports	4 Credible budgets and 16 Financial reports approved 30 June	Target not achieved 3 Credible budgets and 4 Financial reports approved		N/A	N/A	Credible budget's Financial reports, Council Resolution	Chief Financial Officer

				ved					2019						
				Number of Credible budgets compiled and approved	A credible budget must have the following, it must fund only the activities that are consistent with the revised IDP, the activities funded are realistically achievable given the financial constraints of the municipality, it must contain revenue and expenditure projections that are consistent with current and past performance, the community should	FMV - 1.1	OPEX		4 Credible budgets approved by 30 June 2019	Target not achieved		N/A	N/A	Qtr. 1. Roll over adjustment budget Council Resolution. Qtr. 3 2nd Adjust ment budget & Draft budget Council Resolution.	Chief Financial Officer



					and are submitted to Mayor and Council where applicable.										
Revenue Management	Ensure sound financial management	Sound financial Management and compliance with legislation	Implementation of Revenue Enhancement Strategy	Number of Revenue Enhancement programmes implemented	To implement programmes that are aimed at improving current revenue.	FMV-2	OPEX	04 Revenue programmes	04 Revenue Enhancement programmes implemented by 30 June 2019	Target not achieved  04 Revenue Enhancement programmes implemented		N/A	N/A	Data collection report, Meter audit report, System Generated Data base report, and Data cleansing report. Initial & Updated Indigent register, Indigent register	Chief Financial Officer

													report, Cost reflective tariffs plan, Consultation report and Attendance register , Debt collection report & reminders		
				Numb er of data clean sing phase 1 progr amme imple mente d in 4 Local Munici palitie	Data cleansing process will entail the collection of property, ownership and meter information in order to correct the billing data base.	FMV- 2.1			1 Data cleans ing phase 1 progra mme imple mente d in 4 Local Munici palitie s by 30	Target not achieved  1.Approv al for rate increase is attached. 2.Progres s report		None imple menta tion of data cleans ing phase 1 due to resign ation of Data collect	The stipen d was increa sed, superv isors to be appoin ted, replac ement of those who	Report on Data Cleansi ng Implem entatio n Plan(P hase 1)	Chief Financia l Officer



				s					June 2019			ion fieldworkers .	absconded, upload a web-based questionnaire and extensive education and awareness campaigns on various platforms planned for the next financial year.		
				Number of Cost Reflective tariffs	It is a process to review and confirm that the current tariffs cover the cost of	FMV-2.2			1 Cost Reflective tariffs developed	Target not achieved		Cost Reflective tariffs developed,	Facilitate both internal and external	Report on Cost Reflective	Chief Financial Officer






				devel oped and appro ved	providing the service. The process also involves engaging the communities to inform them of any changes coming out of the review process. After all the consultations the tariff structure will be submitted to council for approval				and appro ved by 30 June 2019			howev er consul tantati ons with intern al stakeh olders (Mana geme nt & Counc il) still outsta nding.	al stakeh older engag ement s in the next financi al year.	tariffs	
				Numb er of Indige nt regist er review ed	The indigent register is reviewed annually to confirm whether the indigent beneficiaries are still indigent. The review involves submitting the register to third parties to confirm	FMV- 2.3			1 Indige nt regist er review ed by 30 June 2019	Target not achieved		The Indige nt registe r report was prepar ed howev er the requir ed submi ssion was	Ensue submi ssion within the requir ed timelin es.	Indigen t register report	Chief Financia l Officer

					whether the status is still the same.							not meet.				
					Numb er of Debt collect ion and Credit contro l plans imple mente d	Debt collection and credit control entails reviewing the age analysis report ( a report that details the period for which the debt has been outstanding) and send reminders to consumers with overdue balances in terms of the policy	FMV-2.4			1 Debt collect ion & Credit contro l plan imple mente d, in Gover nment Depart ment s, Munici palitie s and Busin esses by 30 June 2019	Target not achieved	🔴	The plan was not imple mente d due to the shorta ge of staff within the Debt collect ion unit.	A reques t was submit ted to the Corpor ate servic e depart ment for recruit ment of staff within the Debt collecti on unit.	Debt collecti on & Credit control implem entatio n plan for Govern ment Depart ments, Munici palities and Busine sses. Debt collecti on & Credit control plan implem entatio n report reflecti	Chief Financia l Officer

														ng improv ed collecti on rate	
SUPP LY CHAIN MANA GEME NT	Ensue sound financial mana geme nt	Sound financial Mana geme nt and compliance	Implementation of SCM Policy	Number of SCM programmes implemented	The policy will provide and ensure a second and accountable system of supply chain management with the district	FMV - 3	OPEX	7 SCM Programmes	07 SCM programmes implemented by 30 June 2019	Target not achieved  03 SCM programmes implemented		N/A	N/A	SCM Quarterly reports	Chief Financial Officer

		with legisl ation		Numb er of Procu remen t plans devel oped and imple mente d	Procurement plans are required as per MFMA Circular 62 to assist municipalities with proper planning that will lead to minimization of irregular expenditure and deviations if complied with. Once the plan is developed	FMV - 3.1			1 Procur ement plans develo ped and imple mente d by 30 June 2019	Target not achieved  1 Procurem ent plans develope d and implemen ted		N/A	N/A	Instituti onal Procur ement plan Update d Procur ement plan, Procur ement report	Chief Financia l Officer
				% Compl iance on Procu remen t Proce sses imple mente d and adher ed to	each director ate is required to imple ment the proj ects as such.	FMV - 3.1.1			100% Compl iance on Procur ement Proce sses imple mente d and adher ed to by 30 June 2019	Target not Achieved		N/A	N/A	Compli ance report on Procur ement Proces ses, Appro ved Price bench markin g, Council Resolut ion	

				Number of Deviations reports submitted	Deviations are made up of the following (1.Emergency 2.Single or sole provider 3. Acquisition of special works of art or historical objects where specifications are difficult to compile 4. Acquisition of animals for zoos and/or nature and game reserves 5. Where it is impractical or impossible to follow the official procurement processes as per Par 45 and SCM regulation 36. The reports are submitted quarterly to council committees.	FMV - 3.2			4 Deviations reports submitted by 30 June 2019	Achieved		N/A	N/A	Deviation register, Deviation report, Payment voucher	Chief Financial Officer
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				Number of Irregular expenditure reports submitted	Irregular expenditure comprises expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation. The report is submitted on quarterly basis to council committees.	FMV - 3.3			4 Irregular expenditure reports submitted by 30 June 2019	Target not achieved		Delay in appointment of service provider	To ensure proper planning and submit re-in statements on time as per the AFS plan.	Irregular expenditure register, Irregular expenditure report, Reinstatement report	Chief Financial Officer
				Number of Contract management register and Commitments register	Contract management consists of the process that enables the Municipality, as a party to a contract, to protect its own interests and to ensure that it complies with its duties, as agreed	FMV - 3.4			4 Contract management register and Commitments register recon	Target not Achieved		N/A	N/A	Updated Contract register, Reconciliation report and updated Contract	Chief Financial Officer

				recon ciled	upon in the contract. Non-performance or inadequate performance of these will compromise the municipality's legal position and will have a detrimental impact on the effectiveness of the Municipality, with related financial losses as per Par 63 of the SCM policy. Commitments register is an obligation by the municipality to pay the appointed service provider on the work done. After paying then the reconciliations are				ciled by 30 June 2019					register	
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[illegible]

				red and submitted	implementation of the supply chain management policy to the mayor of the municipality or the board of directors of the municipal entity, as the case may be.				and submitted by 30 June 2019					Mayor	
EXPENDITURE MANAGEMENT	Ensure sound financial management	Sound financial Management and compliance with legislation	Implementation of MFMA Sec 65 and 66	% adherence to 30 days payment of valid invoices and payment of salaries by the due date.	All municipalities should adhere to sec 65 of MFMA, which states that all invoices should be paid within 30 days on receipt of correct information. In terms of sec 66 of MFMA, the Accounting officer of the municipality must report to council all expenditure incurred by the	FMV - 4	OPEX	92% adherence to 30 days	100% adherence to 30 days payment of valid invoices and payment of salaries by the due date by 30 June 2019	Target not achieved 0% adherence to 30 days payment of valid invoices and payment of salaries by the due date		Late submission of invoices by user departments, invoices are delayed by insufficient budget on departmental votes and late processing	The department will monitor invoices submitted to departments through the invoice register and the department will ensure	30 days monitoring report, Monthly Creditors age analysis report	Chief Financial Officer

					municipality							ing of invoic es by BTO	that correct invoic es are submit ted the first time by servic e provid ers. Ens ur e adher ence to the SOP by user depart ments and BTO		
EXPE NDITU RE MANA GEME NT	Ens ur e sound financ ial mana geme nt	Soun d finan cial Mana geme nt and compl iance	Imple menta tion of MFM A Sec 65 and 66	% adher ence to 30 days paym ent of valid invoic es by	All municipalities should adhere to sec 65 of MFMA, which states that all invoices should paid within 30 days on receipt of	FMV - 4.1	OPEX	92% adherenc e to 30 days	100% adher ence to 30 days paym ent of valid invoic es by	Target not Achieved  100% adherenc e to 30 days payment of valid		Late submi ssion of invoic es by user depart ments, invoic	The depart ment will monito r invoic es submit ted to	Monthl y Credito rs monitor ing reports	Chief Financia l Officer

		with legisl ation		the due date.	correct information.				the due date by 30 June 2019	invoices by the due date by		es are delaye d by insuffi cient budge t on depart mental votes and late proces sing of invoic es by BTO.	depart ments throug h invoic e registe r and ensure that correct invoic es are submit ted by servic e provid ers. Ensue adher ence to the S.O.P by user depart ments and BTO.		
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EXPENDITURE MANAGEMENT	Ensure sound financial management	Sound financial Management and compliance with legislation	Implementation of MFMA Sec 65 and 66	% adherence to payment of salaries by the due date.	In terms of sec 66 of MFMA the Accounting officer of the municipality must report to council all expenditure incurred by the municipality. Salaries are paid on due date as per approved salaries schedule.	FMV - 4.2	OPEX	None	100% adherence to payment of salaries by the due date by 30 June 2019	Target achieved 100% adherence to payment of salaries by the due date	👍	N/A	N/A	Approved salaries schedule, Report	Chief Financial Officer
ASSET MANAGEMENT															
ASSET MANAGEMENT	Ensure sound financial management	Sound financial Management and compliance with legislation	Compliance of GRAP Compliant Asset Register	Number of GRAP compliant Asset Registers and Inventory Management progr	For the asset register to be GRAP compliant, assets in the register must meet the recognition & derecognition criteria and the register must be free from material errors. The register is	FMV - 5	OPEX	3 GRAP Asset Registers	4 GRAP Compliant Asset Registers/ Inventory implemented 30 June 2019	Target not achieved 4 GRAP Compliant Asset Registers/ Inventory implemented	👎	Submitted report is incomplete and did not meet the required audit stand	To engage Internal audit in packaging the report the required stand	Grap Compliant Asset Register and Inventory reports	Chief Financial Officer

				amments implemented	made up of prior year and current year movements. The information in the register validated through the asset verification. Inventory Management comprises of inventory recognition inventory counts or verification as means of validating inventory data and controls. The plan serves as a tool meant to provide guidance on assigning responsibilities pertaining to procurement of inventory / orders, issues, recording, safeguarding							rds.	rds.		
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				al ledger	made up of prior year and current year movements. The information in the register validated through the asset verification.				by 30 June 2019			rds.	rds.	3. Reconc iliations of WIP register with Contra cts and Comm tments Registe r.	
				Numb er of Invent ory Mana geme nt progr amme s imple mente d	Inventory Management comprises of inventory recognition inventory counts or verification as means of validating inventory data and controls.	FMV - 5.2	OPEX		1 Invent ory Mana geme nt progra mme imple mente d by 30 June 2019	Target not achieved  0 Inventory Managem ent program me implemen ted		Decen tralizat ion of stores contrib uted to the unavai lability of Invent ory registe r.	Ensur e develo pment of Invent ory registe r in the next financi al year	Invento ry count reports	Chief Financia l Officer



				Number of Inventory management plan developed and Implemented	The plan serves as a tool meant to provide guidance on assigning responsibilities pertaining to procurement of inventory / orders, issues, recording, safeguarding & disposal of inventory and periodic/annual financial reporting there to. The implementation of the plan will be measured by the periodic reports prepared as per the inventory management activities contained in the plan.	FMV - 5.3	OPEX		1 Inventory management plan developed and Implemented by 30 June 2019	Target not achieved 1 Inventory management plan developed and Implemented		Decentralization of stores contributed to the unavailability of Inventory register.	Ensure development of Inventory register in the next financial year	training attendance register , Programme, training report	Chief Financial Officer
AFS and Audit Coordination															

		Sound financial Management and compliance with legislation	Compliance of GRAP Compliant AFS	Number of GRAP Compliant AFS compiled	The application of standards of GRAP, with the appropriate selection of accounting policy and additional disclosures, where necessary, will result in Financial Statements that achieve fair presentation eg GRAP17 is a standards that prescribe the accounting treatment for Property Plant and Equipment (PPE). The municipality must prepare AFS that fairly present the state of affairs of the municipality at the end of the	FMV-6	OPEX	Audited 2016/17 AFS	04 GRAP Compliant Annual financial statements compiled by 30 June 2019	Target achieved 04 GRAP Compliant Annual financial statements compiled	👍	N/A	N/A	Completed set of Financial Statements, Minutes of Council Committee & council resolution and AG acknowledgment letter,	Chief Financial Officer
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					financial year and these must be submitted to AG within two months after end of the financial year.											
INFORMATION SYSTEM																FINANACIAL
FINAN CIAL INFOR MATI ON SYST EM	Ensue sound financ ial mana geme nt	Soun d finan cial Mana geme nt and comp liance with legisl ation	Imple menta tion of GRAP and MSC OA Compl iant Finan cial Mana geme nt syste ms	Numb er of GRAP and MSC OA Compl iant Finan cial Mana geme nt Syste ms progr amme s imple mente d	The GRAP is an accounting standard/principle that the municipal finance should comply with and MSCOA is a municipal standard chart of accounts that is regulated by Treasury all institutions when recording and finance transaction.	FMV - 7	OPEX	Integrated Systems	03 GRAP and MSC OA Compl iant Finan cial Mana geme nt syste m progr ammes imple mente d by 30 June 2019	Target not achieved  0 GRAP and MSCOA Compliant Financial Managem ent system program mes implemen ted	1. None adher ence to timelin es by directo rates issued for purpo se of year end closur e. 2. None adher ence to annual splits	To ensure adher ence to budget and procur ement proces ses and by directo rates.	GRAP and MSCO A quarterl y report,	Chief Financia l Officer		



				Number of Pay day system upgrades implemented	The Pay day is the Upgrade of MSCOA 6.1 to 6.2 version which entails alignment of line items on payday to the financial systems.	FMV - 7.2	OPEX		1 Pay day system upgrade implemented by 30 June 2019	Target not achieved 0 Pay day system upgrade implemented		Submitted report is incomplete and did not meet the required audit standards.	To engage Internal audit in packaging the report the required standards.	MSCO Alignment with Payroll system and Financial system, Invoice (Unix), Errors report	Chief Financial Officer
				Number of Solar modules activated.	Solar modules are modules that are on the Solar system which needs to be activated for users. This activation will take place in a form of providing training on those Solar models for users.	FMV - 7.3	OPEX		4 Solar modules activated by 30 June 2019	Target not achieved 0 Solar modules activated		Module not yet implemented as service providers are still waiting National Treasury to populate	To have more engagements with National Treasury in the next quarter	Attendance register, Training report, Programme	Chief Financial Officer

												te tool that will be used to popula te AFS Modul e on Solar syste m			
KPA NO 5 GOOD GOVERNANCE															
BROAD STRATEGIC OBJECTIVE 5: To create an Efficient, Effective, Accountable and Performance-oriented Administration															
Priority Area	Meas urable Objec tives	Outc ome	Strate gy	KPI	Indicator Descriptions	Indic ator Code	Progr amme Budge t Alloca tion	Baseline	SDBI P Annua l Target	Actual Performa nce (Please indicate if achieved or not achieved)	Sn aps hot	Reaso ns for Varian ces	Reme dial Action	Eviden ce	Custodi an
Comm unicati ons	To enhance commu nication ,stake holder Mana geme	Infor med stake holde rs	Imple menta tion of Commu nication Plan	Numb er of Commu nication progr amme s imple mente	1. External communicatio n management 2. Media Management 3. Internal communicatio n management	GGP P - 1	OPEX	05 Program mes	5 Commu nication Progr amme s imple mente d by	Target achieved  5 Communi cation Program mes implemen	👉	N/A	N/A	Report s on Commu nication Progra mmes	Director: Strategi c Manage ment Services

	nt and custo mer care			d	4. Website & social media management 5. Marketing & events management				30 June 2019	ted					
				Numb er of Exter nal comm unicat ion mana geme nt progr amme s imple mente d	1. Facilitation of External Communicatio n entails support to awareness campaigns, stakeholder engagements, IDP Processes, Mayoral outreaches, project launches / showcasing, public participation programs, civic education as per Integrated Communicatio n Strategy 2. This will result in sharing information with the public through	GGP P - 1.1	OPEX		1 Extern al comm unicati on mana geme nt progra mme imple mente d by 30 June 2019	Target achieved  1 External Communi cation Program mes implemen ted per above	👍	N/A	N/A	Extern al Comm unicati on support Report, Invitati ons, Copies of newsfla shes,	Director: Strategi c Manage ment Services

					various platforms, e.g. Bi annual External newsletters 3.and monthly Newsflashes										
				Number of Media management programmes implemented	1. Facilitation of Media Engagement activities entails radio talk shows, interviews and radio advertisements 2. Media releases to inform communities 3 District Media monitoring for improved municipal image and media relations	GGP P - 1.2	OPEX		1 Media management programme implemented by 30 June 2019	Target achieved 1 Media Management Programme implemented	👍	N/A	N/A	Report on Engagement activities, Copies of media releases, Media monitoring reports	Director: Strategic Management Services



				Number of Internal communication management programmes implemented	1. Internal communication management entails Internal Awareness campaigns on communication policy, vision, mission and values. Create awareness of municipal activities by producing a weekly diary of activities and circulate to all staff internally. Facilitation of support to Internal events through coverage resulting in the production of an Internal Newsletter)	GGP P - 1.3	OPEX		1 Internal communication management programme implemented by 30 June 2019	Target achieved 1 Internal Communication Management Programme implemented	👍	N/A	N/A	Attendance registers, reports, Internal newsletter, invitations, weekly diary of activities)	Director: Strategic Management Services
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				Number of Website & social media management programmes implemented	1. Facilitation of Website & social media activities entails uploading of mandatory information in compliance with the MFMA; events and notices, requests for quotes, vacancies for information sharing with the public 2. Monitoring of Website & social media activities)	GGP P - 1.4	OPEX		1 Website & social media management programmes implemented by 30 June 2019	Target achieved 1 Website and Social Media Management Programme implemented	👍	N/A	N/A	Website social media report, Request, Monitoring of Website & social media report	Director: Strategic Management Services
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				Number of Marketing & events management programmes implemented	Marketing & events management entails 1.Branding materials production (Produce branding material, booklets, leaflets, posters, stationery, calendars, diaries) 2. Facilitate communication support to all events to inform development of news releases and newsletter and newsflashes.	GGP P - 1.5	OPEX		1 Marketing & events management programme implemented by 30 June 2019	Target achieved 1 Marketing , Branding and events management programme implemented	👍	N/A	N/A	Report on Events management, Invitations, Report on Marketing materials, Order	Director: Strategic Management Services
STAKEHOLDER MANAGEMENT	To enhance communication ,stakeholder Mana	Informed stakeholders	Implementation of Stakeholder Management	Number of Stakeholder engagement programmes	Stakeholder Engagements applies Internal and External Stakeholder engagements	GGP P - 2	230,000.00	02 Programmes	02 Stakeholder Engagement Programmes implemented	Target achieved 02 Stakeholder Engagement Program	👍	N/A	N/A	Reports on Stakeholder Engagement Programmes	Director: Strategic Management Services

	gement and customer care		Plan	imple mente d					mente d by 30 June 2019	mes implemen ted					
				Numb er of Stake holder engag ement progr amme s imple mente d	Internal and External Stakeholder engagements - entails panel discussions, round tables, business breakfast or dinner sessions, meetings and Mayoral Imbizos.	GGP P - 2.1	R180 000.0 0		7 Stake holder engag ement progr ammes imple mente d by 30 June 2019	Target exceeded 9 Stakehold er engag ement program mes implemen ted	👍	The target was excee ded due to a need to engag e with more stakeh olders in prepar ation for the State of the Distric t Address to solicit their inputs	N/A	Attend ance register , Report	Director: Strategi c Manage ment Services

				Number of stakeholder forum Programmes implemented	Stakeholder Forums are platforms for public participation on municipal matters	GGP P - 2.2	R50 000		32 Stakeholder forum Programmes implemented by 30 June 2019	Target achieved 32 Stakeholder forum Programmes implemented	👍	N/A	N/A	Resolution register, attendance register, minutes	Director: Strategic Management Services /Health and Community Services /IPED
OFFICE OF THE SPEAKER	To enhance communication, stakeholder Management and customer care	Informed Communities	Implementation of Public Participation Strategy	No of Citizen Empowerment Programmes conducted	Programmes aimed to provide education in a form of empowering community members through awareness campaigns on a quarterly base.	GGP P-3	R1 677 000	5 Citizen Empowerment Programmes conducted	05 Citizen Empowerment Programmes conducted by 30 June 2019	Target achieved 05 Citizen Empowerment Programmes conducted	👍	N/A	n/a	Citizen Empowerment Programmes reports	Director: Strategic Management Services
				Number of Public Participation programme	Public Participation - are community engagements initiated by both the	GGP P-3.1	R350 000.00		5 Public Participation programme implemented	Target achieved 5 Public Participation programme	👍	N/A	N/A	Reports on Public Participation programme	Director: Strategic Management Services /Health

				imple mente d	community and the district by way conducting meetings or other activities?				mente d by 30 June 2019	me implemen ted				mme	and Communi ty Services /Chief Financia l Officer
				Numb er of MPAC Meeti ngs conve ned	MPAC is an oversight committee that reviews, analyse and make recommendati ons on the reports dealing with compliance issues to ensure Good governance. The MPAC oversight committee sits on quarterly bases to unpack the issues at hand.	GGP P- 3.1.1			4 MPAC Meeti ngs conve ned by 30 June 2019	Target exceeded  11 MPAC meetings conducted	👍	There were more meetin gs due to the work on the annual report and investi gation on irregul ar expen diture.	NA	Resolut ion register , Attend ance register (Meetin g),MPA C Report s	Director: Strategi c Manage ment Services

				Number of Women Caucus Programmes implemented	Women Caucus - it's a section 79 of MSA 117 of 1998 committee that deals with women's issues across the district. This committee further improves and develops women capacity by way of conducting programmes and meeting on a quarterly base.	GGP P-3.1.2			2 Women caucus programmes implemented by 30 June 2019	Target achieved 2 Women caucus programmes implemented (A Women in leadership Symposium was done on the 1 March 2019 and a Women caucus lekgotla was done on the 20-21 June with the gender mainstreaming workshop within the program)	👍	N/A	NA	Attendance register (Seminar/Training/Meeting, report, Resolution register)	Director: Strategic Management Services
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				Number of Moral Regeneration programmes implemented	Moral Regeneration - the programme seeks to improve and construct accepted human behaviour and character .This programme takes place on a Quarterly base	GGP P- 3.1.3			2 Moral Regeneration Movement programmes implemented by 30 June 2019	Target achieved 2 Moral Regeneration Movement programs implemented	👍	N/A	N/A	Moral Regeneration Movement, Attendance register (Meeting, Dialogues) Quarterly report,	Director: Strategic Management Services
				Number of District Initiation programmes implemented	District Initiations programmes - assist with monitoring of initiates in reducing the challenges arising from the season like death and complications within the district. The Initiation programmes are conducted quarterly through	GGP P- 3.1.4			2 District Initiation Programmes Implemented by 30 June 2019	Target achieved 2 District Initiation Programmes Implemented	👍	N/A	N/A	District Initiation Plan, Attendance register (Meeting, Awareness campaigns) Quarterly report,	Director: Strategic Management Services




					campaigns and monitoring.											
					Number of Capacity building programmes implemented	Capacity building are training programmes that seeks to address issues relating to municipal administration and community empowerment . The programmes are conducted through campaigns, public education, consultations.	GGP P-3.1.5	R420 000.00		3 Capacity building programmes implemented by 30 June 2019	Target achieved 3 Capacity building programmes implemented (Civic Education , Benchmarking visit, facilitated response to petitions and MPAC training)	👉	N/A	N/A	Attendance register (Meeting, Training, Petitions ) Quarterly report	Director: Strategic Management Services
Municipal Health Services					Number of Health and hygiene awareness	Education on Environmental Health related topics to communicate and schools.	GGP P-3.2	R222 000.00		60 health and hygiene awareness progra	Target achieved 60 Health and hygiene awareness were	👉	N/A	N/A	Awareness programmes report, attendance register	Director: Health and Community Services



				programme s conducted					mme s conducted by 30 June 2019	conducted				s, concept document	
				Number of Awareness programmes provided to food handlers	Education and Training on food safety related topics to food handlers (formal and informal food handlers)	GGP P - 3.2.1	R220 000.0 0		4 awareness programmes provided to food handlers by 30 June 2019	Target achieved  4 Awareness programmes provided to food handlers	👍	N/A	N/A	Awareness programmes report, attendance registers, concept document	Director: Health and Community Services
Disaster Management				Number of Disaster awareness programmes conducted	The awareness programmes is to provide capacity and better understanding of sustainable environmental management practices.	GGP P - 3.3	R100 000.0 0		6 Disaster awareness programmes conducted by 30 June 2019	Target achieved  6 Disaster awareness programmes were conducted	👍	N/A	N/A	Awareness programmes report, attendance registers, concept document	Director: Health and Community Services

Environment al Manag ement				Number of Environmental management awareness programmes conducted	The objective of the awareness programmes is to provide capacity and better understanding of sustainable environmental management practices.	GGP P - 3.4	R100 000.0 0		8 Environmental management awareness programmes conducted by 30 June 2019	Target exceeded  10 awareness programmes were conducted	👍	Due to additional awareness that needed to be conducted	N/A	Awareness programmes report, attendance registers, concept document	Director: Health and Community Services
Customer Care				Number of Customer Education and awareness campaigns conducted	Provide an analysis of the area within which the awareness campaign will be conducted and Identify problem areas, relevant stakeholders to assist in resolving the problems faced by the community.	GGP P - 3.5	R265 000.0 0		28 Customer Education and awareness campaigns implemented by 30 June 2019	Target achieved  28 Customer Education and awareness campaigns implemented	👍	N/A	N/A	Awareness programmes report, attendance registers, plan	Director: Strategic Management Services

Custo mer Care	To enhan ce comm unicat ion ,stake holder Mana geme nt and custo mer care	Satisf ied Custo mers	Imple menta tion of Custo mer Care Mana geme nt Plan	Numb er of Custo mer Care Mana geme nt Progr amme s imple mente d	Customer Care Management is programmes aimed at creating a relationship between the municipality and the community.	GGP P - 4	R350 000.0 0	04 Customer Care Managem ent Program mes	02 Custo mer Care Mana geme nt Progr amme s Imple mente d by 30 June 2019	Target achieved  02 Customer Care Managem ent Program mes Implemen ted	👍	N/A	N/A	Report s on Custo mer Care Manag ement Progra mmes	Director: Strategi c Manage ment Services
				Numb er of Custo mer satisf action surveys condu cted	Conduct a community research on the level of satisfaction or dissatisfaction . This research will be conducted by way of community surveys and submitted to council for approval.	GGP P-4.1			1 Custo mer satisfac tion survey condu cted by 30 June 2019	Target achieved  1 Customer satisfactio n survey conducted	👍	N/A	N/A	Final report of Custo mer satisfac tion survey	Director: Strategi c Manage ment Services

				Number customer complaints reports submitted	All CHDM customer complaints/dis putes/enquiries shall be registered with the customer call centre and/or customer care satellite office. Customers may contact the call centre 0800100100 or customer care @chrishanidm .gov.za Recorded either in the complaints register book and complaints system.	GGP P-4.2			4 Customer complaints reports submitted by 30 June 2019	Target achieved  4 Customer complaints reports submitted by 30 June 2019	👍	N/A	N/A	Complaints register , Complaints resolution reports	Director: Strategic Management Services
Internal Audit	To ensure clean admin istration and accou	Good Governance	Development and Implementation of Risk-Based Opera	Number of Risk based Internal Audit Plan devel	Development, implementation and completion of the agreed risk based internal audit operational plan, with	GGP P - 5	R617 000.0 0	1 Risk Based Internal Audit Plan	01 Risk based internal audit plan developed	Target achieved  01 Risk Based internal audit plan developed,	👍	N/A	N/A	Internal Audit Quarterly Reports;	Director: Strategic Management Services

	ntable gover nance		tional Plan	oped and Imple mente d	number of assurance engagements completed by the internal audit activity. The risk based plan comprises of the following; 1. Risk based Audits 2. Mandatory audits 3. Follow up audit 4. Ad- hoc audit.				and imple mente d by 30 June 2019	approved and effectively implemen ted.					
Risk Manag ement			Imple menta tion of Risk Mana geme nt Frame work	Numb er of Risk Mana geme nt Progr amme s imple mente d	Risk Management is a process of identifying, assessing, prioritizing and managing risks/ threats within the institution.	GGP P - 6	R505 000.0 0	04 Risk Managem ent Program mes	03 Risk Mana geme nt Progr amme s Imple mente d by 30 June 2019	Target achieved  03 Risk Managem ent Program mes Implemen ted		N/A	N/A	Risk Manag ement Progra mme reports	Director: Strategi c Manage ment Services

				Number of Risk Management Monitoring report compiled	Quarterly - risk monitoring reports are reports that the risk committee chairperson report on to the council	GGP P - 6.1			4 Risk Management Monitoring report compiled by 30 June 2019	Target achieved 4 Risk Management Monitoring report compiled		N/A	N/A	Attendance registers, Risk Management reports	Director: Strategic Management Services
				Number of Anti-fraud initiative conducted	Anti-fraud initiative entails preventing, detecting and response to fraud instances within the institution. A fraud assessment session will be conducted to give an update on the institutions' fraud status which will then be submitted to the Risk Committee.	GGP P - 6.2			1 Anti-fraud and Corruption Risk initiative conducted by 30 June 2019	Target achieved 1 Anti-fraud and Corruption Risk initiative conducted		N/A	N/A	Anti-fraud and Corruption risk assessment report	Director: Strategic Management Services

				Number of Risk Compliance Audit conducted	Risk Compliance Audit is a comprehensive review of an organization's adherence to regulatory guidelines.	GGP P - 6.3			1 Risk Compliance Audit conducted by 30 June 2019	Target achieved 1 Risk Compliance Audit conducted	👍	N/A	N/A	Compliance Audit report	Director: Strategic Management Services
PMS			Implementation of PMS Framework	Number of PMS Programmes Implemented	PMS programmes are aimed at reviewing, monitoring and improving performance systems of the municipality as per the framework.	GGP P - 7	R505 000.00	03 Programmes	03 PMS programmes implemented by 30 June 2019	Target achieved 03 PMS programmes implemented	👍	N/A	N/A	Reports PMS programmes	Director: Strategic Management Services
				Number of Quarterly Performance Reviews conducted	Quarterly - performance reviews are done in order to ensure that early warnings of underperformance are detected and that mechanisms are put in place where	GGP P-7.1			4 Quarterly Performance Reviews conducted by 30 June 2019	Target achieved 4 Quarterly Performance Review conducted and submitted to Council	👍	N/A	N/A	Performance review reports council resolution	Director: Strategic Management Services









				report s compil ed and submi tted	annual report, annual performance report) These reports seeks to provide a record of the activities that the municipality has undertaken during the year under review and also provides a report of the performance of the municipality against the budget, to assess the extent to which the priorities of Council were implemented and which were achieved. The report will be developed by the unit and submitted to council for				s compil ed and submit ted by 30 June 2019	reports compiled and submitted				17/18 and council resoluti on	Services
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					approval and to the office of the Auditor General.										
SPECIAL PROGRAMMES	To facilitate and coordinate integrated Special Programmes	Mainstreamed programmes	Implementation of STI's, TB, HIV, SPU Mainstreaming and Youth Development Plan	Number of Special Programmes implemented	Implementation of HIV, TB and STI's, SPU Mainstreaming and Youth Development	GGP P - 8	R2 865 000	03 Special Programmes	03 Special programmes implemented by 30 June 2019	Target not achieved 02 Special programmes implemented	👍	N/A	N/A	Reports on Special programmes implemented	Director: Strategic Management Services
				Number of HIV, TB and STI's programmes implemented as per SPU calendar and HIV, TB and STI's	Implementing HIV, TB and STIs programmes as per the SPU Calendar of events and HIV, TB and STI's implementation plan per quarter	GGP P - 8.1	R505 000		4 HIV, TB and STI's programme implemented as per SPU calendar and HIV, TB and STI's implementation	Target achieved 4 HIV, TB and STI's programme implemented as per SPU calendar and HIV, TB and STI's implementation plan	👍	N/A	N/A	Attendance registers; SPU calendar of events, Report, HIV, TB and STI's implementation plan	Director: Strategic Management Services

				imple menta tion plan					plan by 30 June 2019						
			Devel op and imple ment Speci al Progr amme s and Mains treami ng Strate gy	Numb er of Speci al Progr amme s Mains treami ng Strate gy devel oped and SPU progr amme s Imple mente d as per SPU calen dar	Developing a SPU Mainstreamin g strategy and implementatio n plan for the District. Implementing SPU programmes in line with the SPU Calendar focusing on designated groups.	GGP P - 8.2	R1 137 500		1 Speci al Progr amme s Mainst reami ng Strate gy devel oped and 4 SPU progra mmes imple mente d as per SPU calend ar by 30 June 2019	Target achieved  1 Special Program mes Mainstrea ming Strategy develope d and 4 SPU program mes implemen ted as per SPU calendar	👉	N/A	N/A	Attend ance register s; , SPU Progra mme report, SPU calend ar of events Draft Special Progra mmes Mainstr eamng Strateg y,	Director: Strategi c Manage ment Services


			Develop and implement the District youth implementation plan	Number of Youth development implementation plan developed and Youth development programmes implemented as per SPU calendar	Developing Youth development implementation plan aligned to the Provincial Youth Development strategy and implement Youth development programmes as per the SPU calendar	GGP P - 8.3	R1 222 500		1 Youth development implementation plan developed and 4 Youth development programmes implemented as per the SPU calendar by 30 June 2019	Target Not Achieved 0 Youth development implementation plan developed and 4 Youth development programmes implemented as per the SPU calendar		Insufficient budget and delayed SCM procurement processes.	The Youth Development Implementation Plan to be developed in the next financial year.	Attendance registers, Youth Development Programme report, SPU calendar of events,	Director: Strategic Management Services
ISDM	To ensure integrated approach to service	Improved Service Delivery	Implementation of Integrated Service Delivery	Number of Integrated Service Delivery	Implementation of Integrated Service Delivery and Social facilitation programmes	GGP P - 9	R9 651 810.72	Draft Integrated Service Delivery Implementation Plan	3 Integrated Service Delivery programme	Target achieved 3 Integrated Service Delivery programme		N/A	N/A	Integrated Service Delivery programme	Director: Strategic Management Services

	e delive ry		ry Model	progr amme s imple mente d				mme s imple mente d by 30 June 2019	mes implemen ted				reports,	
				Numb er of Integr ated Servic e Delive ry Model - Warro om progr amme s imple mente d	Implementing Integrated Service delivery model - are service delivery day programmes implemented in communities in partnership with other stakeholders or sessions in which war room stakeholders are capacitated on functionality.	GGP P - 9.1	R505 000.0 0	4 Integr ated Servic e Delive ry Model - Warro om progr amme s imple mente d by 30 June 2019	Target achieved  4 Integrated Service Delivery Model- Warroom program mes implemen ted	👉	N/A	N/A	ISDM – War rooms reports, Attend ance register s, Integrat ed Service Deliver y plan	Director: Strategi c Manage ment Services
ISD				Numb er of Social facilita tion progr amme	Social facilitation is a process used for promoting effective community participation	GGP P - 9.2	R9 146 810.7 2	2 ISD facilita tion progr amme s imple mente	Target achieved  2 ISD facilitation program mes	👉	N/A	N/A	ISD report	Director: Enginee ring and Technic al Services



				s imple mente d per grant	through awareness meetings, capacity building and monitoring during project cycle using infrastructure grants				d per grant by 30 June 2019	implemen ted per grant					
				Numb er of MIG Social facilita tion progr amme s imple mente d	Social facilitation is a process used for promoting effective community participation through awareness meetings, capacity building and monitoring during project cycle using MIG	GGP P - 9.2.1	R5 506 810.7 2		1 MIG Social facilita tion progr ammes imple mente d by 30 June 2019	Target achieved  1 MIG Social facilitation program mes implemen ted	👍	N/A	N/A	MIG facilitati on progres s report, Plan, Expend iture report	Director: Enginee ring and Technic al Services
				Numb er of WSIG and RBIG Social facilita tion	Social facilitation is a process used for promoting effective community participation through	GGP P - 9.2.2	R3 640 000		2 WSIG and RBIG Social facilita tion progra	Target achieved  2 WSIG and RBIG Social facilitati on program	👍	N/A	N/A	WSIG and RBIG facilitati on progres s report,	Director: Enginee ring and Technic al Services



				programme s imple mente d	awareness meetings, capacity building and monitoring during project cycle using WSIG				mmes imple mente d by 30 June 2019	mes implemen ted by 30 June 2019					Plan, Expend iture report	
Municipal Support	To ensur e integr ated appro ach to servic e delive ry	Impro ved servic e delive ry	Imple menta tion of Municipal Support Model	Numb er of Municipal Support programme s imple mente d	As per the Municipal Support Framework, a municipal support plan will be implemented to support all 6 local municipalities. Each quarter there will be a programme to be implemented according to the plan and requests from LM. The support could be financial support or technical expertise support from the District's	GGP P -10	R675 000.0 0	01 Municipal Support Model	01 Municipal support programme s imple mente d by 30 June 2019	Target not Achieved  0 Municipal support program mes implemen ted		Delay ed recruit ment proces ses.	Suppo rt to be provid ed in the next financi al year.	Suppor t implem entatio n reports. Attend ances register , resoluti on register	Director: Strategi c Manage ment Services	

					own capacity.										
IGR			Implementa tion of IGR Strate gy & IR Frame work	Numb er of IGR & IR Progr amme s imple mente d	1. The Intergovernme ntal Relations Strategy states that intergovernme ntal relations means relationships that arise between different government departments and entities with an objective to conduct their affairs in terms of improving service delivery. These engagements take place in form of conducting	GGP P-11	R305 000.0 0	IGR Strategy and IR Framework in place	02 IGR & IR Progr amme imple mente d by 30 June 2019	Target achieved  02 IGR & IR Program me implemen ted		N/A	N/A	IGR & IR reports. Attend ances register , resoluti on register	Director: Strategic Management Services

					<p>quarterly forums for the purpose of reporting.</p> <p>2. South African local government participates extensively in international associations; and as a result a wide range of international cooperation arrangements between municipalities from South Africa and other countries have been established.</p> <p>The municipality has entered in to an agreement with District of Cordoba in Argentina and GIZ.</p>										
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PLAN NING	Devel opme nt and imple menta tion of Credi ble Plans aligne d to NDP 2030	Impro ved Servi ce Deliv ery	Devel opme nt and review al of Credi ble plans	Numb er of Servic e delive ry plans devel oped and imple mente d	Service delivery plan is a guiding plan that is developed and reviewed for each specific sector within the municipality and adopted by Council.	GGP P-12	R3 315 000	Service delivery plans develope d and reviewed	11 Servic e deliver y plans imple mente d and review ed by 30 June 2019	Target not achieved  5 Service delivery plans implemen ted and reviewed		Furthe r engag ement requir ed with releva nt Counc il structu res	Institut ion plans are in place to be taken to Execut ive Manag ement prior Counc il Appro val	Service deliver y plans implem ented and review ed	Director :IPED/St rategic Manage ment Services /Engine ering and Technic al Services /Health and Commu nity Services
				Numb er CHD M 2019- 2020 IDP review ed and adopt ed	IDP it's a guiding plan for the development within the municipal jurisdiction. It is a five year plan that is developed and reviewed annually by municipal Council.	GGP P- 12.1	R1 500 000	2017- 2022 IDP	1 CHD M 2019- 2020 IDP review ed and adopt ed by 30 June 2019	Target achieved  1CHDM 2019- 2020 IDP reviewed and adopted by council. Additional to that we have supported Engcobo, Sakhisizw e and		N/A	N/A	2019- 2020 IDP Situatio nal Analysi s Report	Director :IPED

										Inxuba Yethemb a through technical support)					
WSA				Number of Water Service Development Plan reviewed and approved	A plan that outlines the water and sanitation backlogs per local municipality and includes capital plan that provides timeframes and budgets for individual projects to be implemented.	GGP P-12.2	OPEX	1 WSDP reviewed and approved	1 WSDP reviewed and approved by 30 June 2019	Target achieved  1 WSDP reviewed and approved	👉	N/A	N/A	Draft WSDP	Director: Engineering and Technical Services

DISASTER MANAGEMENT				Number of Disaster Management Plans developed and implemented	Disaster Management Plans - is a plan that is used to implemented disaster risk reduction projects and programmes.	GGP P-12.3	R300 000.00	1 Disaster Management plan in place	1 Disaster Management plan developed and implemented by 30 June 2019	Target not achieved  0 Disaster Management plan developed and implemented (The Bid Evaluation Committee recommended to the Bid Adjudication Committee that the tender be re-advised for the third intense due to potential bidders being non-responsive. The		The BEC has not concluded the evaluation process and we will be getting an outcome after the BAC meeting, all these delays including the re-advertisement of the tender have contributed to the	Bid Committees need to sit and conclude the appointment process of the service provider so that the project can commence.	Bid Documents	Director : Health and Community Services
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										BAC referred the items back to the BEC requesting them to do due diligence in the evaluation process as they feel that justice was not done)		non-achievement of this target.			
												</			

rt				strate gy & hand book devel oped	developed to share information on IGR initiatives to be conducted /implemented by the municipality in support of IGR programmes.	12.5	0	book in place	handb ook develo ped 30 June 2019	IGR Strategy and IGR Handboo k in place		the Revie wed IGR Strate gy by Counc il	docum ents to Counc il for approv al in the next FY (quart er 1)	IGR Handb ook	c Manage ment Services
Enviro nment al Manag ement				Numb er of CHD M Integr ated Waste Mana geme nt Plan devel oped	The CHDM IWMP is a tool which seeks to optimize waste management in the district by maximizing efficiency and minimizing financial costs and environmental impacts. The overall objective of the IWMP is to achieve integration of solid waste management function relating to the operational,	GGP P - 12.6	R1 200 000.0 0	1 CHDM Integrated Waste Managem ent Plan develope d	1 CHD M Integr ated Waste Mana geme nt Plan develo ped by 30 June 2019	Target not achieved  0 CHDM Integrated Waste Managem ent Plan develope d (The appointm ent process of the service provider that will develop the CHDM Integrated		The appoin tment of the servic e provid er was prolon ged and the proces s was only conclu ded on the 06th of May 2019. Regret letters were	CHDM is in the proces s of draftin g the Servic e Level Agree ment which will then be approv ed by the Munici pal Manag er and the	Bid Docum ents	Director : Health and Commu nity Services



					function legal and institutional dimensions of the business					Waste Plan was concluded by the Bid Adjudication Committee held on the 06 May 2019)		sent on the Friday, 17 May 2019 and the 14 day appeal period expired on Thursday, 06 June 2019, hence the service provider was only formally notified on the 6th June 2019. All these delays	Service provider. An inception meeting between the service provider and CHDM is scheduled for the 11th July 2019. The project is expected to commence in July 2019 and will be completed within		
--	--	--	--	--	---	--	--	--	--	---	--	--	---	--	--

												have led to the non-achievement of the target.	the 2019/2020 financial year (end January 2020).		
Stakeholder Management				Number of Integrated Stakeholder Management Plan developed	Integrated Stakeholder Management Plan - seeks to ensure integration of district wide stakeholder engagement activities.	GGP P - 12.7	OPEX	Draft Stakeholder Management Plan in place	01 Integrated Stakeholder Management Plan developed and approved by 30 November 2018	Target not Achieved  0 Integrated Stakeholder Management Plan developed and approved (Due to limitations : consultations were undertaken with HR for interrogation of the document and		Further engagement required with relevant Council structures	Draft Integrated Stakeholder Management Plan in place to be taken to Executive Management prior Council Approval	Draft Integrated Stakeholder Management Plan; Attendance register ; Report Council resolution, Integrated Stakeholder Management Plan,	Director: Strategic Management Services

									advice on relevant Council structures to further engage)						
				Number of Protocol and Etiquette policy and Implementation Plan developed	Protocol and Etiquette policy and Implementation Plan - seeks to uphold standards and establish proper handling of dignitaries in official functions, activities and events to project a positive image of the district.	GGP P - 12.8	OPEX	None	1 Protocol and Etiquette policy and Implementation Plan developed by 30 June 2019	Target not achieved  0 Protocol and Etiquette policy and Implementation Plan developed (Policy workshop considered policies for reviewal only. Another session for new policies to be rescheduled)		Policy works hop considered policies for reviewal only. Another session for new policies to be rescheduled by Cooperate Services Direct orates	Awaiting policy works hop dates for consideration of new policies in the next financial year	Protocol and Etiquette policy and Implementation Plan, Draft ,	Director: Strategic Management Services

Performance Management System				Number of PMS Framework reviewed and approved	The PMS framework describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organised and managed, including determining the different role players. This framework will be reviewed by Council annually.	GGP P - 12.9	OPEX	Reviewed MS Framework 2017-2018	1 PMS Framework reviewed and approved by 30 June 2019	Target achieved 1 PMS Framework was reviewed and approved by Council on the 26 June 2019	👍	N/A	N/A	Attendance registers, Report	Director: Strategic Management Services
WSA				Number of Water Security Plans developed	A plan that gives the state of water availability and future use within the district, it also	GGP P - 12.10	OPEX	None	1 Water Security Plans developed	Target achieved 1 Water Security Plans developed	👍	N/A	N/A	Draft Security Plan	Director: Engineering and Technical Services

				oped	outlines the management, monitoring and conservation of available resources.				by 30 June 2019	d					
				Numb er of Water Cons ervati on Dema nd Mana geme nt strate gy review ed	A plan that focuses on the operational means to deal with wasteful usage of water as well as managing water losses.	GGP P - 12.11	OPEX	Water Conservat ion Demand Managem ent strategy	1 Water Conse rvatio n Dema nd Mana geme nt strate gy review ed by 30 June 2019	Target achieved 1 Water Conserva tion Demand Managem ent strategy reviewed	👍	N/A	N/A	Draft Water Conser vation Deman d Manag ement strateg y review ed	Director: Enginee ring and Technic al Services

## Snapshot - Legends

👍 = Target achieved

👎 = Target Not achieved

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### 4.1 INTRODUCTION

Chapter 7 Section 51 of the Municipal Systems Act (MSA) 32 of 2000, mandates the Municipality to establish and organise its administration in a manner that would enable the municipality to be responsive to the needs of the local community. Furthermore, Section 67(1) of the MSA compels the municipality to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration.

The strategic objective of the directorate is to establish and maintain a skilled, healthy labour force guided by relevant policies, systems, procedures that are geared towards realising the needs of the communities. Municipal transformation and organisational development is key to service delivery, hence much emphasis is on implementation of Batho Pele principles in all municipal structures, systems, procedures, policies and strategies.

#### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

**TABLE 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES**

Employees								
Description	2016/2017	2017/2018				2018/2019		
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %	Employees No.	Vacancies No.	Vacancies %
Water	154	222	163	59	36%	164	98	60%
Waste Water (Sanitation)	27	121	80	41	51%	81	63	78%
Electricity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Waste Management	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Housing	1	3	2	1	50%	2	0	0
Waste Water (Storm water Drainage)	175	215	215	0	0%	215	0	0
Roads	28	52	26	26	100%	17	35	205%
Transport	3	3	3	0	0%	2	1	50%
Planning (Integrated Development)	3	3	3	0	0%	3	1	33%
Local Economic Development	9	9	8	1	12.5%	8	1	12.5%
Planning (Strategic & Regulatory)	4	4	3	1	33.3%	3	2	66%
Community & Social Services	5	5	5	0	0%	5	0	0
Environmental Protection (Municipal Health & Environmental Management)	35	38	38	0	0%	39	2	5%
Health (Emergencies)	20	20	20	0	0%	21	0	0
Security & Safety	6	6	6	0	0%	2	0	0
Sport and Recreation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Corporate Policy Offices and Other	208	335	299	36	12%	295	36	12%
<b>Totals</b>	<b>678</b>	<b>1036</b>	<b>871</b>	<b>165</b>	<b>18.9%</b>	<b>857</b>	<b>239</b>	<b>28%</b>

Vacancies Rate 2018/2019			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (As a proportion of total post in each category) %
Municipal Manager	1	1	100%
CFO	1	0	0
Other S57 Posts (excluding Finance Post)	5	1	0
Other S57 Posts (Finance Posts)	0	0	0
Police Officers	N/A	N/A	N/A
Fire Fighters	8	0	0
Senior Management Levels 14 - 17 (excluding Finance Posts)	53	9	17%
Senior Management Levels 14 - 17 (Finance Posts)	10	1	10%
Highly Skilled Supervision Levels 9 – 13 (excluding Finance Posts)	167	7	4%
Highly Skilled Supervision Levels 9 -13 (Finance Posts)	33	5	15%
<b>Totals</b>	<b>278</b>	<b>24</b>	<b>9%</b>

T 4.1.2

Turn Over Rate			
Details	Total Appointments	Terminations	Turn-over Rate*
2015/2016	21	33	157%
2016/2017	65	47	72%
2017/2018	74	49	66%
2018/2019	49	32	65%

T 4.1.3

The Chris Hani District Municipality has been successful in filling forty nine (49) vacant prioritised positions with thirty two (32) terminations during the 2018/2019 financial year.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Workforce management is part of the broader organisational management strategy which seeks to amongst others ensure that there is a defined process of accountability as well as adequate procedures to deal with administrative matters. To this end, the Municipal Council has approved a number of policies and procedures aimed at improving management and administration affairs within the municipality. Tabulated below are the policies that are in place:

T 4.2.0

## 4.2 POLICIES / PLANS

### Policy/ Plan Register

Name of HR Policy / Plan	Develop	Reviewed	Adoption date	Comment on non-review and non-adoption
1. Attraction and Retention	YES	NO	25 June 2015	
2. Code of Conduct for employees	YES			SALGBC Main Collective Agreement on Conditions of Services
3. Delegations, Authorisation & Responsibility (Supply Chain Management Policy)				
4. Disciplinary Code and Procedures				SALGBC Main Collective Agreement on Conditions of Services
5. Essential Services	N/A	N/A	N/A	N/A
6. Employee Assistance / Wellness		In the process of review		25 June 2014
7. Employment Equity	yes		May 2019	
8. Exit Management				
9. Grievance Procedures				SALGBC Main Collective Agreement on Conditions of Services
10. HIV/Aids Workplace		In the process of review		25 June 2014
11. Human Resource and Development			25 June 2015	25 June 2015
12. Information Technology	YES	N/A	N/A	ICT Governance Framework to be adopted by council by 30 June 2020
13. Job Evaluation	Yes		25 June 2013	Yes
14. Leave and Attendance	Yes		25 June 2013	Yes
15. Occupational Health and Safety	Yes	Due for review	2013	26 Feb 2014
16. Official Housing	N/A	N/A	N/A	N/A
17. Subsistence and Travelling	Yes		26 Feb 2014	
18. Bereavement	Yes		25 June 2014	
19. Overtime	Yes		25 June 2015	



Name of HR Policy / Plan	Develop	Reviewed	Adoption date	Comment on non-review and non-adoption
20. Organisational Rights	N/A	N/A	N/A	SALGBC Main Collective Agreement on conditions of services
21. Payroll Deductions				
22. Performance Management System Framework	Yes	100%	26 June 2019	N/A
23. Recruitment and Selection	Yes	No	25 June 2015	
24. Remuneration Scales and Allowances	Yes	No		South African Local Government Bargaining Council
25. Relocation	Yes	No	25 June 2013	
26. Sexual Harassment	Yes	No	27 May 2009	
27. Skills Development and Training	Yes	No	25 June 2015	
28. Smoking	Yes	No	27 May 2009	Yes
29. Special Skills	N/A	N/A	N/A	N/A
30. Work Organisation	N/A	N/A	N/A	N/A
31. Uniforms and Protective Clothing	Yes	N/A	Not yet adopted by Council	To be adopted by Council by 2020
32. Employee Study Assistance	Yes	No	25 June 2015	
33. Transport allowance Policy	Yes	No	25 June 2015	Yes
34. Placement	Yes	No	25 March 2018	
35. Telephone	Yes	No	27 May 2009	To be reviewed by 30 June 2020
36. Termination	Yes	No	25 June 2015	
37. Induction	Yes	No	27 May 2009	To be reviewed by 30 June 2020
38. Experiential Training	Yes	No	25 June 2013	

Whilst a number of policies have been developed and/or reviewed, some remain outdated and hence need revision. Resources will be allocated in the next financial year to ensure that these are attended to as per the plan of the municipality for the next financial year. T 4.2.1.1

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

## Number of days and Cost of Sick Leave (excluding injuries on duty)

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	None	none	none	none	0
Temporary total disablement	none	none	none	none	0
Permanent disablement	None	none	none	none	0
Fatal					
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

T 4.3.1

Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-3)	470	1%	15	273	0.55	
Skilled (Levels 4-6)	3500	7%	180	306	4.08	
Highly skilled production (levels 7-8)	1050	31%	101	32	1.23	
Highly skilled supervision (levels 9-13)	250	56%	180	188	0.29	
Senior management (Levels 14-17)	1000	14%	27	53	1.17	
MM and S57	25	0%	4	5	0.03	
						T 4.3.2

#### Number and Period of suspensions

Position	Nature of alleged misconduct	Date of Suspension	Date of Internal Process Finalisation	Details of disciplinary action taken or status of case and reasons why not finalised	Date finalised
SCM Manager	Gross dereliction of duty/ negligence	30 October 2017	24 October 2018	Referred to SALGBC	Pending
Senior Manager : Executive Support	Gross dishonesty/ breach of code of conduct	11 September 2018	10 May 2019	Referred to SALGBC	Pending
ICT Manager	Gross dereliction of duty/ negligence	08 January 2019	N/A	Disciplinary hearing in progress	Pending
CFO	Fraud and Corruption	11 April 2019	N/A	Disciplinary hearing in progress	Pending

#### Number and period of suspensions

Position	Nature of alleged misconduct	Disciplinary action taken	Date finalised
----------	------------------------------	---------------------------	----------------

General Assistant	Intimidation / threatening	Finalised	24 July 2019
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Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of alleged misconduct and value of any loss to the municipality	Disciplinary action taken	Date finalised
N/A			

T4.3.6

#### 4.4. PERFORMANCE REWARDS

The municipality has, as a response to the call by municipal council, set in place a process of cascading performance management to levels belows Section 57 management. During the year under review, intensive engagements with all effected stakeholders were undertaken to review the PMS framework to deal with performance management. The Performance Management System (PMS) was then adopted by Council on the 26<sup>th</sup> June 2019. There were no performance bonuses/rewards that were awarded for the year under review for lower level employees and also Section 57 managers.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION

Work Place Skills Development Plan was adopted by Council for the current financial year and has been implemented. The Municipality also implemented a number of skills development-related programmes, which include:

- Implementation of the Workplace Skills Plan 2018/19
- Internships Programme
- Study Assistance Programme
- National Treasury Minimum Competency Requirement

Fifty Four [54] unemployed graduates were engaged on a two year internship programme starting in September 2017, December 2017 and March 2018. The contracts for internship will end on 30 September 2019, 31 December 2019 and 30 April 2020 respectively. As at end June 2019 only forty four [44] interns remaining, others were employed internally and externally.

Twenty two [22] students received experiential training for the duration of 18 months as part of their curriculum.

The municipality has implemented its approved Workplace Skills Plan for 2018/2019 Financial Year. Two hundred and sixty three [263] employees have received training within this financial year at a cost of R 1 494 744.00 A total of fifteen [15] training interventions were implemented.

As part of building capacity of the workforce, the District Municipality provides for a Study Assistance Programme to enable employees who wish to further their studies to do so. The Study Assistance Programme benefits both the employee and the organization in that the skills of beneficiaries are enhanced thereby improving the level of performance and productivity. Within this current financial year fifteen [15] employees have received assistance to further their studies in the following fields:

- Finance
- Engineering
- Disaster Management
- Forestry
- Administration
- Labour Relations

## 4.5. SKILLS DEVELOPMENT AND TRAINING

Skills Matrix																
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0													
			Learnership					Skills programmes & other short courses		Other forms of training				Total		
		No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0
MM and s57	Female	3	0	0	0	0	1	0	0	0	0	0	0	0	1	0
	Male	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female	29	0	0	0	0	21	15	0	0	0	0	0	21	15	
	Male	35	0	0	0	0	16	10	0	0	0	0	0	16	10	
Technicians and associate professionals*	Female	32	0	0	0	0	2	0	0	0	0	0	0	2	0	
	Male	80	0	0	0	0	7	0	0	0	0	0	0	7	0	
Professionals	Female	52	0	0	0	0	31	25	0	0	0	0	0	31	25	
	Male	49	0	0	0	0	11	10	0	0	0	0	0	11	10	
Sub total	Female	116	0	0	0	0	55	40	0	0	0	0	0	55	40	
	Male	167	0	0	0	0	34	20	0	0	0	0	0	34	20	
Total		283	0	0	0	0	89	60	0	0	0	0	0	89	60	

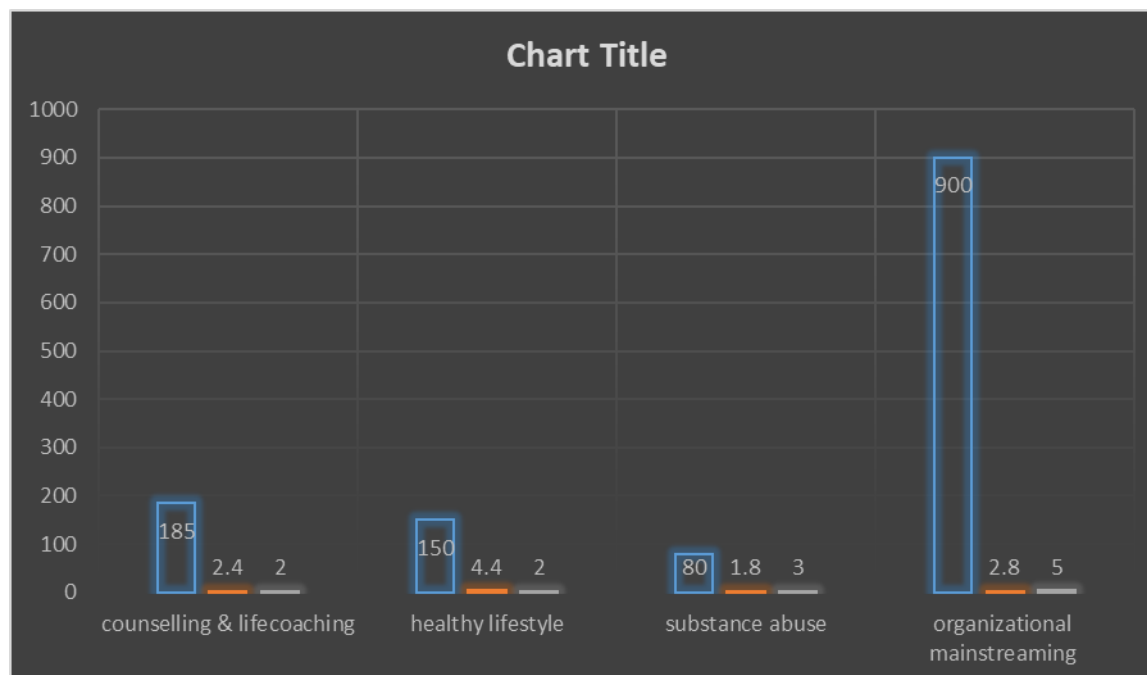
Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	0	0	0	0	0	0
Chief financial officer	1	0	1	1	1	1
Senior managers	43	0	43	35	5	40
Any other financial officials	16	0	16	1	0	1
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	3	0	3	2	0	2
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	70	0	70	38	6	43

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	3			1750000.00	2075958.00			1750000.00	2075958.00
	Male	3								
Legislators, senior officials and managers	Female	29								
	Male	35								
Professionals	Female	72								
	Male	46								
Technicians and associate professionals	Female	19								
	Male	104								
Clerks	Female	68								
	Male	41								
Service and sales workers	Female	4								
	Male	4								
Plant and machine operators and assemblers	Female	27								
	Male	54								
Elementary occupations	Female	43								
	Male	291								
Sub total	Female	261								
	Male	578								
Total		839	0	0	1750000.00	2075958.00	0	0	1750000.00	2075958.00
									1.0%*	*R 11651454.55

## EMPLOYEE WELLNESS

Employee health and wellness programmes is one of the institutional strategic support mechanisms that assist in the realisation of IDP objectives through implementation of integrated counselling & life-coaching session, substance abuse programmes, healthy lifestyle programmes and organizational mainstreaming programmes.

The graph below shows the levels of participation in the programmes:



**Counselling services** such as psycho-spiritual counselling were provided for one hundred and eighty five [185] employees, councillors, traditional leaders and their families. Four (4) life coaching programmes were implemented which were financial management, marriages, parenting & relationships, coping with grief and work life balance and more the five hundred [500] employees, councillors participated in the programmes. The intervention have yielded positive outcomes in building the resilience skills of the participants.

**Healthy lifestyle programmes** were implemented for one hundred and fifty [150] employees and councillors at Komani, Emalahleni and Ngcobo. Through the healthy lifestyle programmes, there are noticeable improvements in weight loss, improvement in management of illnesses such as diabetes and hypertension, ulcers, asthma, allergies, in energy self-image and sleeping patterns.

**Substance abuse programmes** such as outpatient & inpatient rehabilitative programmes, support groups, reintegration, educational and capacity building sessions were implemented for eighty [80] people. Success stories such as reduction in alcohol abuse, reduction in absenteeism, improvement in financial management and productivity have been achieved through this programme.

**Organizational mainstreaming programmes** such as gender mainstreaming, management of disability and incapacity in the workplace, wellness event were implemented with nine hundred [900] people participated in the programmes. The programmes



ensures that health and wellness is an institutional resource that can be used to improve the productivity and performance of the institution.

As a developmental institution with changing needs, demands and environment of employees and communities, continuous research and analysis is critical to ensure that CHDM delivers on its mandate. An anonymous Employee Job satisfaction survey was conducted by independent service provider with six hundred [600] participants. The survey focused on demographics, growth and development, knowledge of employees on policies, strategies, communication, teamwork, leadership styles, work environment, what makes the employees to be satisfied/not satisfied with their jobs and what can be done. The survey revealed a need to improve on communication, teamwork, culture, work environment, leadership styles and the job content and remuneration. It further revealed low levels of job satisfaction with areas of improvement.

## LABOUR RELATIONS

Labour Relations unit is entrusted with harnessing sound employer-employee relations. This has been achieved through implementation of continuous capacity building programmes to broaden knowledge and skills of managers, supervisors and staff in order to promote professionalization of the institution as well as create a conducive working environment that will enhance service delivery and minimize labour unrest.

The following programmes were implemented during the year under review.

- Managing misconduct related discipline in the workplace
- Managing poor work performance
- Workplace discipline
- Awareness on code of conduct in the workplace

Furthermore, the unit promotes orderly collective bargaining and employee participation in decision making by convening the sitting of Local Labour Forum (LLF) where matters of mutual interest pertaining to employees are discussed. There were two [2] ordinary and three [3] special LLF meetings held during the year under review as follows:

DATE	NATURE OF THE MEETING
06 September 2018	Ordinary Local Labour Forum meeting
29 November 2018	Ordinary Local Labour Forum meeting
31 January 2019	Ordinary Local Labour Forum
18 March 2019	Special Local Labour Forum
29 March 2019	Special Local Labour Forum
23 May 2019	Special Local Labour Forum

Critical issues discussed were:

- Integration of water services staff from local municipalities to the District.
- Placement of WSSA transferred staff
- Human Resource policies
- Municipal rates and services
- Job Architecture

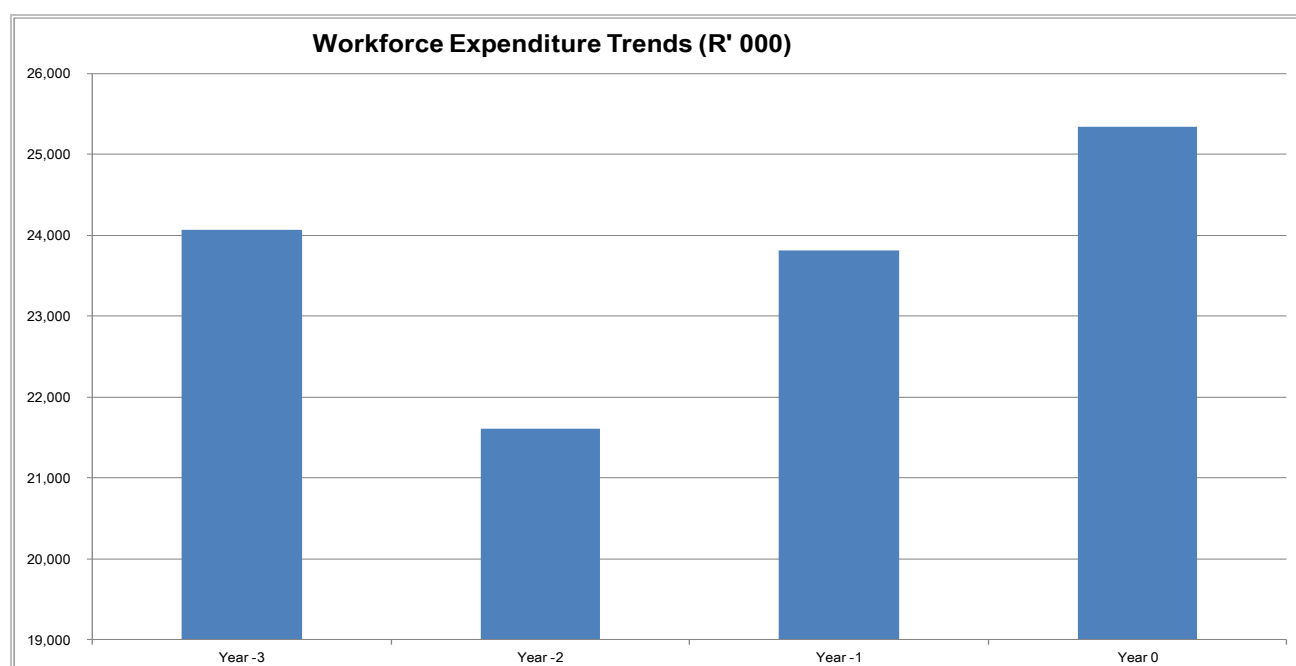
- Employment Equity Plan
- Rental Allowance
- Organogram

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION

The Chris Hani District Municipality has made considerable efforts to ensure that the expenditure on workforce does not exceed the acceptable norm as determined by the National Treasury. As such, the expenditure on employees as a percentage of the total budget for the year remains below the 35% threshold. This suggests that the municipality has the ability to maintain the staff complement it needs whilst not compromising on the expenditure on service delivery.

### 4.6 EMPLOYEE EXPENDITURE



Graph 14: employee expenditure

### UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH THE NORMAL PRACTICE

A process of grading all positions within the municipality was undertaken and consequently, all positions within the institution are graded.

### DISCLOSURES OF FINANCIAL INTEREST

See Appendix J

## **CHAPTER 5 FINANCIAL PERFORMANCE**

### **INTRODUCTION**

This Chapter contains information regarding financial performance and highlights specific accomplishments. It comprises three components viz:

- Component A: Statement of Financial Performance
- Component B: Spending against Capital budget and
- Component C: Other Financial Matters

### **COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**

#### **INTRODUCTION TO FINANCIAL STATEMENTS**

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

## 5.1 STATEMENT OF FINANCIAL PERFORMANCE

### Reconciliation of Table A1 Budget Summary

Description  R thousands	2019											Year -1			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Financial Performance</b>															
Property rates			–			–									
Service charges	232,820		232,820			232,820	305,467		(72,646)						
Investment revenue	32,480		33,154			33,154	74,351		(41,197)						
Transfers recognised - operational	592,096		645,630			645,630	915,108		(269,477)						
Other own revenue	71,871		33,909			33,909	747		33,162						
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>929,267</b>	<b>–</b>	<b>945,513</b>	<b>–</b>	<b>–</b>	<b>945,513</b>	<b>1,295,672</b>	<b>–</b>	<b>(350,159)</b>						
Employee costs	308,843		308,843			308,843	(342,135)		(33,292)						
Remuneration of councillors	11,071		12,845			12,845	(11,665)		1,180						
Debt impairment	200,000	10,800	189,200			189,200	(173,391)		15,809						
Depreciation & amortisation	140,000		140,000			140,000	(155,530)		(15,530)						
Finance charges	–					–	(267)		267						
Bulk purchases	26,139		26,139			26,139	(19,156)		6,983						
Transfers and grants				–		–	(29,339)		29,339						
Contracted Services															

Other expenditure	774,731		822,609			–	(247,571)		247,571						
Bad debts written off						822,609	(205,381)		617,228						
						–	–		–						
<b>Total Expenditure</b>	<b>1,460,785</b>	<b>10,800</b>	<b>1,499,637</b>	<b>–</b>	<b>–</b>	<b>1,499,637</b>	<b>(1,172,223)</b>		2,671,860						
<b>Surplus/(Deficit)</b>	<b>(531,517)</b>	<b>(10,800)</b>	<b>(554,123)</b>	<b>–</b>	<b>–</b>	<b>(554,123)</b>	<b>123,449</b>		<b>(677,573)</b>						
Transfers recognised - capital	480,148		588,446			588,446			588,446						
Contributions recognised - capital & contributed assets			–			–			–						
Actuarial gain/loss							1,633		(1,633)						
							<b>1,633</b>		<b>(1,633)</b>						
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>						34,323	123,449		<b>(89,126)</b>						
Share of surplus/ (deficit) of associate						–			–						
						–			–						
<b>Surplus/(Deficit) for the year</b>						<b>34,323</b>	<b>123,449</b>		<b>(89,126)</b>						
									–						
<b>Capital expenditure &amp; funds sources</b>															
<b>Capital expenditure</b>															
Transfers recognised - capital	476,919		585,184			585,184									
Public contributions & donations															
Borrowing															
Internally generated funds															
<b>Total sources of capital funds</b>	<b>476,919</b>	<b>–</b>	<b>585,184</b>	<b>–</b>	<b>–</b>	<b>585,184</b>									
<b>Cash flows</b>															
Net cash from (used) operating	(175,400)			503,187		503,187	<b>526,371</b>								
Net cash from (used) investing	(471,919)			(604,525)		(604,525)	<b>(328,126)</b>								

Net cash from (used) financing	-					-	-								
cash and cash @ beginning							260,846								
<b>Cash/cash equivalents at the year end</b>	(214,470 )			(101,338 )		(101,338 )	<b>377,919</b>								
						<b>(101)</b>									
T 5.1.1															

Financial Performance of Operational Services						
						R '000
Description	2017	2018			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
<b>Water</b>	174,291	644,902	615,299	600,556	-7.38%	-2.45%
<b>Waste Water (Sanitation)</b>	49,454	41,991	45,333	23,834	-76.18%	-90.20%
<b>Electricity</b>	12,355	–	–	–		
<b>Waste Management</b>	14,232	–	–	–		
<b>Housing</b>	6,542	–	–	–		
<b>Component A: sub-total</b>	<b>256,873</b>	<b>686,893</b>	<b>660,632</b>	<b>624,390</b>	<b>-10.01%</b>	<b>-5.80%</b>
<b>Waste Water (Stormwater Drainage)</b>		–	–	–		
<b>Roads</b>	27,266	30,000	30,000	18,704	-60.39%	-60.39%
<b>Transport</b>		–	–	–		
<b>Component B: sub-total</b>	<b>27,266</b>	<b>8,455</b>	<b>8,624</b>	<b>18,704</b>	<b>54.80%</b>	<b>53.89%</b>
<b>Planning</b>	62,243	14,128	13,356	–		
<b>Local Economic Development</b>	9,192	33,836	85,374	3,546	-854.08%	-2307.33%
<b>Component B: sub-total</b>	<b>71,435</b>	<b>47,963</b>	<b>98,729</b>	<b>3,546</b>	<b>-1252.44%</b>	<b>-2683.93%</b>
<b>Planning (Strategic &amp; Regulatory)</b>	4,245			–		
<b>Local Economic Development</b>	–	–	–	3,546	100.00%	100.00%
<b>Component C: sub-total</b>	<b>4,245</b>	<b>–</b>	<b>–</b>	<b>3,546</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Community &amp; Social Services</b>	4,011	–	–	–		
<b>Environmental Protection</b>	10,574			–		
<b>Health</b>	8,431	72,754	73,745	86,212	15.61%	14.46%
<b>Security and Safety</b>	12,281	–	–	–		
<b>Sport and Recreation</b>	–	–	–	–		
<b>Corporate Policy Offices and Other</b>	778,862	197,338	171,056	–		
<b>Component D: sub-total</b>	<b>814,159</b>	<b>270,092</b>	<b>244,802</b>	<b>86,212</b>	<b>-213.29%</b>	<b>-183.95%</b>

<b>Total Expenditure</b>	<b>1,173,978</b>	<b>1,013,404</b>	<b>1,012,788</b>	<b>736,399</b>	<b>-37.62%</b>	<b>-37.53%</b>
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						<i>T 5.1.2</i>

### 5.1.3 GRANT PERFORMANCE

Grant Performance						
R' 000						
Description	2018	2019			Year 0 Variance	
	Actual	Budget	Adjustment s Budget	Actual	Original Budget (%)	Adjustment s Budget (%)
<b><u>Operating Transfers and Grants</u></b>						
<b>National Government:</b>	<b>519,537.025</b>	<b>561,125</b>	<b>576,772</b>	<b>569,283.362</b>		
Equitable share Municipal Systems Improvement	507,459.000	524,527	524,527	524,527.000		
Department of Water Affairs	–	–		–		
Levy replacement FMG, EPWP, MIG, Rural Road Asset	–	–		–		
	12,078.025	36,598	52,245	44,756.362		
<b>Provincial Government:</b>	<b>290,289.570</b>			<b>187,012.884</b>		
Health subsidy	–			–		
Housing	–			–		
Ambulance subsidy	–			–		
Sports and Recreation	–			–		
Roads subsidy	29,265.928	30,000	30,000,000	20,679.101		
cogta	9,994.496			–		
Water service Infra grant	74,118.321	50,000	154,506	75,940.025		
MIG	278,216.152	254,919	238,646	151,942.246		
RBIG	176,910.825	172,000	191,440	90,393.758		
<b>District Municipality:</b>	<b>–</b>			<b>–</b>		
<b>Other grant providers:</b>	<b>364.060</b>			<b>6,869,190.00</b>		
LG SETA EQUITABLE SHARE	364.060			669,190.00		



	-					
DEDEAT	-			6,200,000		
<b>Total Operating Transfers and Grants</b>	<b>810,191</b>	<b>561,125</b>	<b>576,772</b>	<b>763,165.436</b>		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.  Full list of provincial and national grants available from published gazettes.</i>						
						T 5.2.1

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

The Asset Management Unit is responsible for the development and implementation of the Asset Management Policy of the Chris Hani District Municipality. It also manages the development, updating and maintenance of the asset register for the entire CHDM. Financial reporting of assets in terms of the applicable accounting standards resides within this division. It also facilitates the development and implementation of the Asset Management and Maintenance Plans for the different categories of assets.

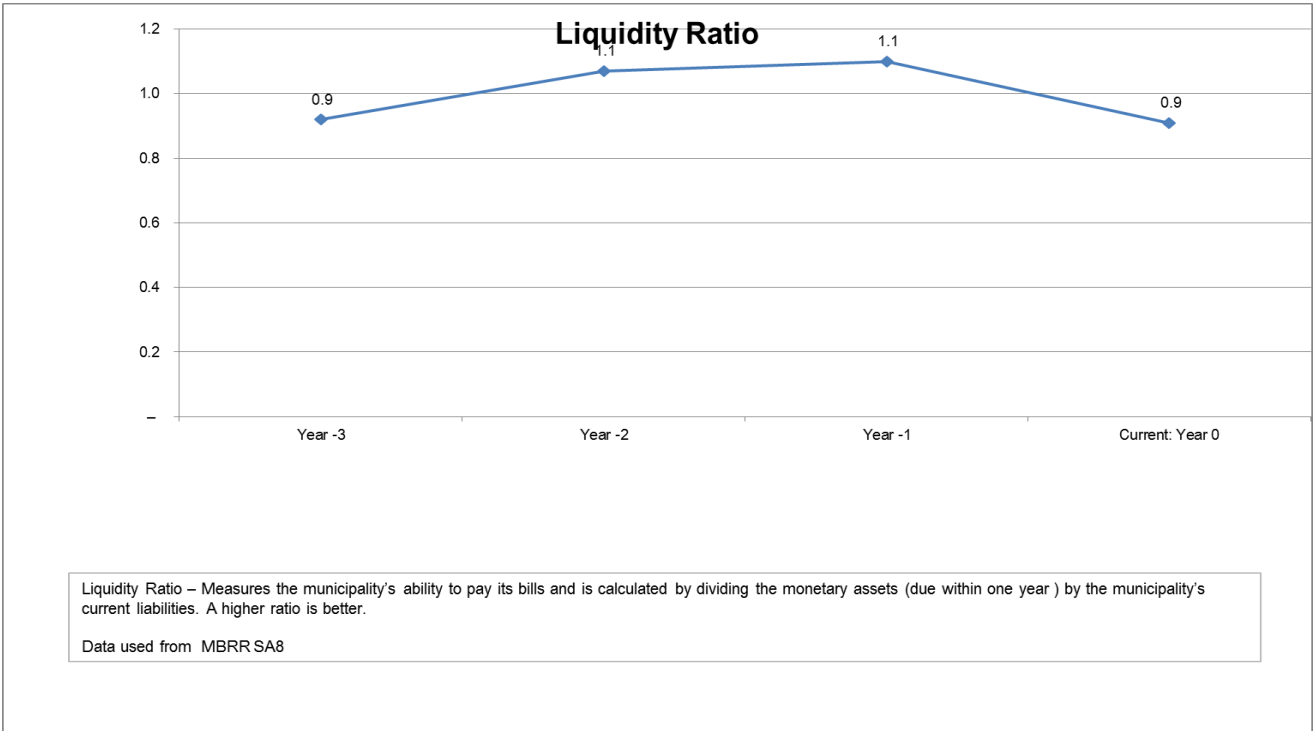
The asset management functions of the Accounting Officer in terms of Chapter 8 of the MFMA as well as those of the Chief Financial Officer in terms of Chapter 9 of the MFMA are implemented by this division. This division also monitors the insurance profile of the municipality and loss of assets.

Repair and Maintenance Expenditure: 2019				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	92,445	101,063	117,865,692.00	-27%
T 5.3.4				

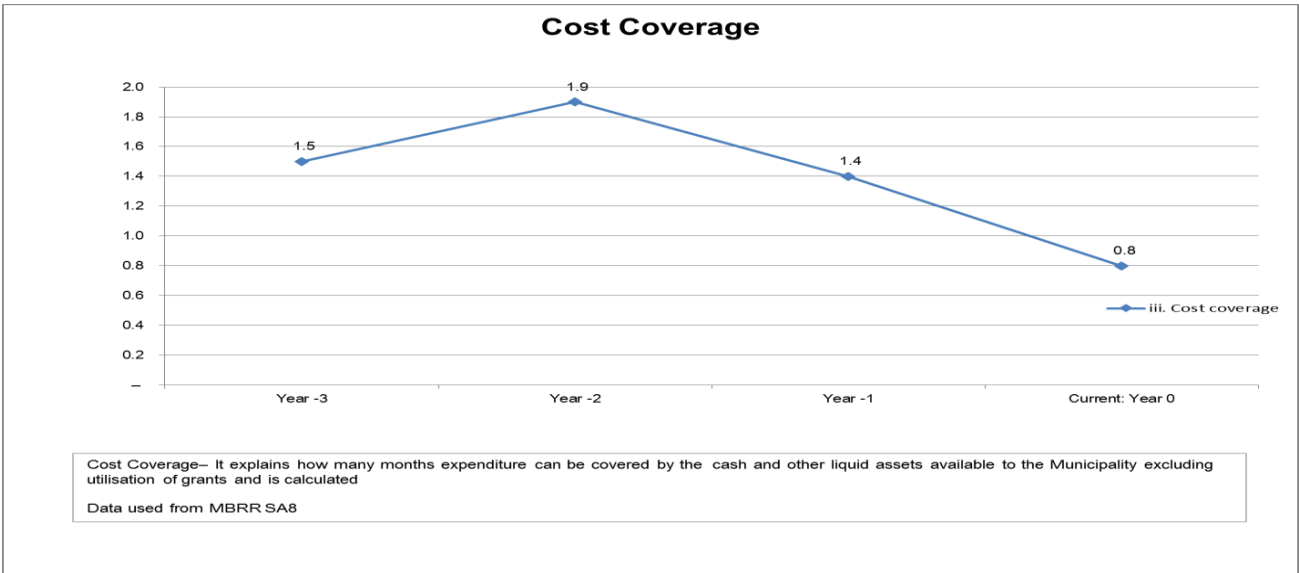
The Chris Hani District Municipality spent slightly more than the original budget resulting in a variance of -34% which is regarded as insignificant.

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

T 5.4.1

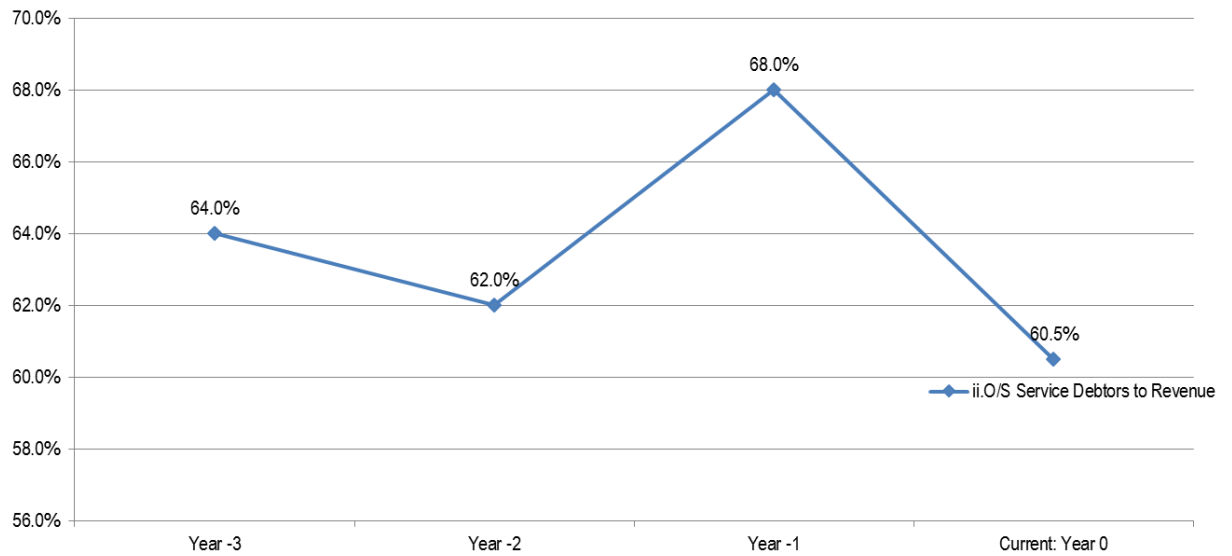


T 5.4.2



T 5.4.3

## Total Outstanding Service Debtors

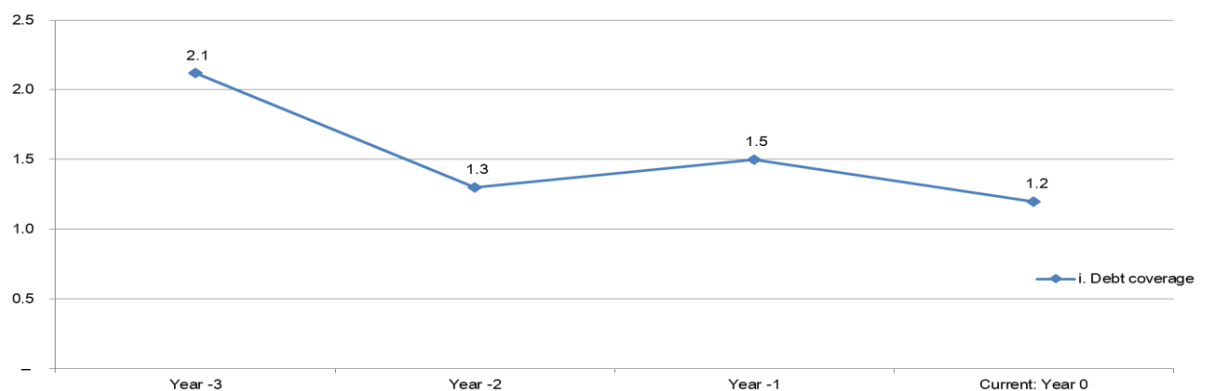


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

T 5.4.4

## Debt Coverage

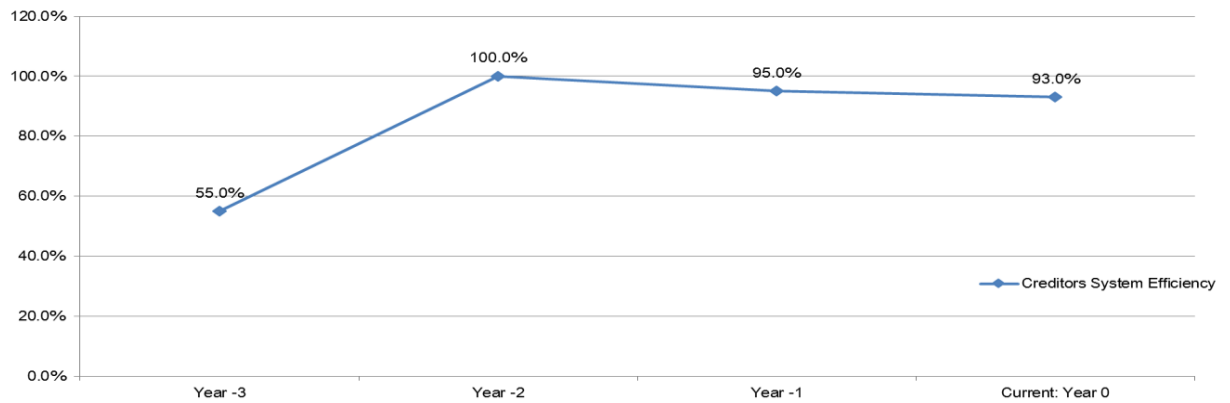


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.5

### Creditors System Efficiency

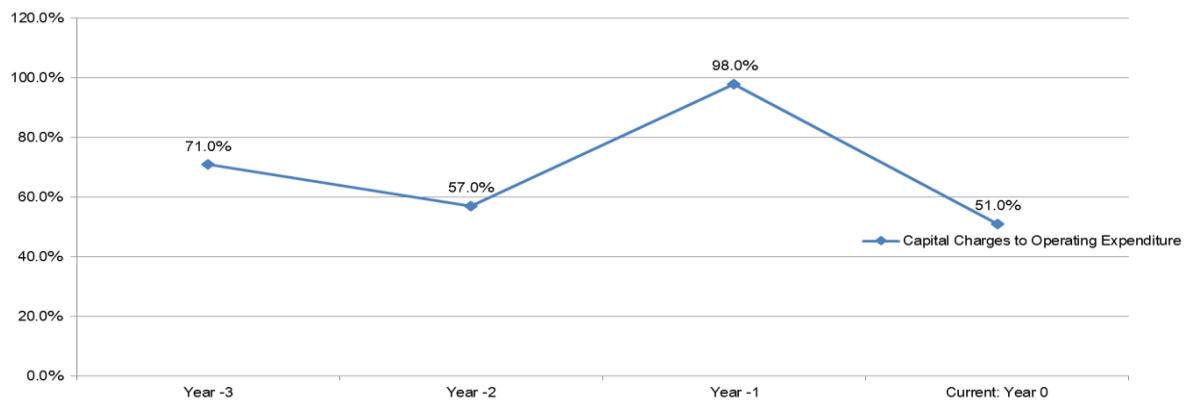


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.6

### Capital Charges to Operating Expenditure

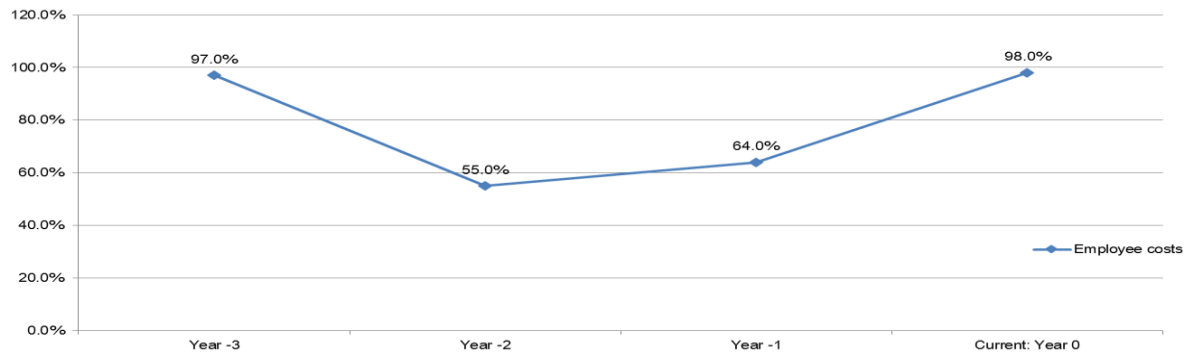


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.7

### Employee Costs

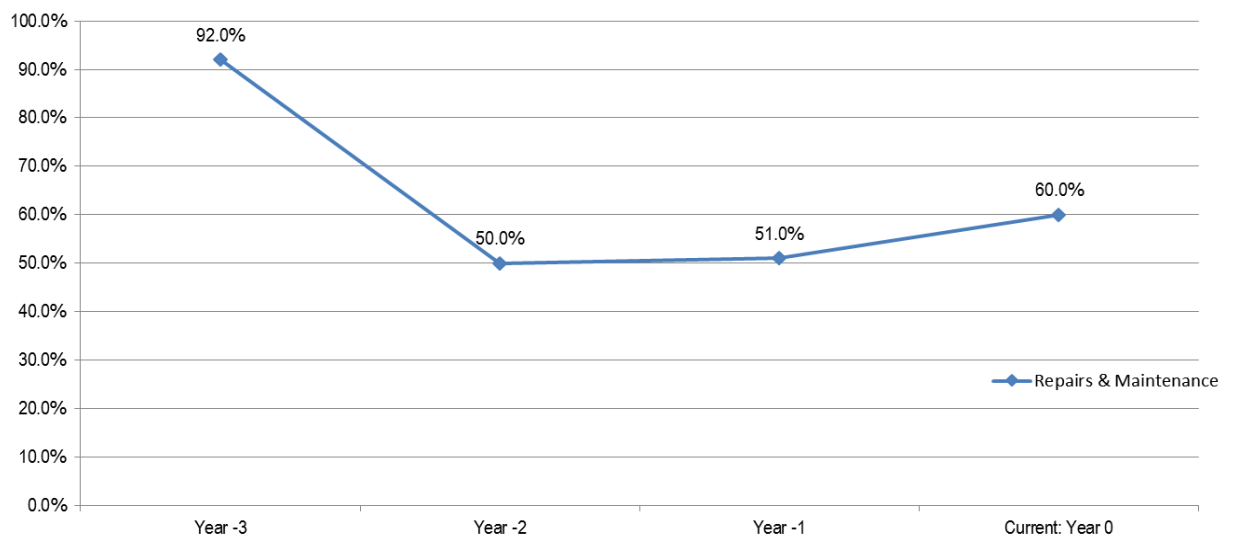


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.8

### Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Component B deals with capital spending indicating where the funding comes from and whether Chris Hani District Municipality was able to spend the funding as planned. Capital expenditure is funded from grants, borrowing, operating expenditure and surpluses.

### 5.5 CAPITAL EXPENDITURE

R million	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	551,919,198.00	636,342,392.00	328,126,401.00	40.5%	48.4%
	<b>551,919,198.00</b>	<b>636,342,392.00</b>	328,126,401.00	40.5%	48.4%
Operating Expenditure	1,214,242,858.35	1,329,863,390.57	1,186,222,435.00	2.3%	10.8%
	<b>1,206,257,482.55</b>	<b>1,279,604,612.91</b>	1,186,222,435.00	1.7%	7.3%
<b>Total expenditure</b>					
Water and sanitation	635,858,037.00	638,076,391.78	395,885,329.00	37.7%	38.0%
Electricity	-	-	-	-	--
Housing	-	-	-	-	-
Roads, Pavements, Bridges and storm water	-	-	-	-	-
Other	-	-	-	-	-
	-	-	-	-	-
External Loans	-	-	-	-	-
Internal contributions	-	-	-	-	-
Grants and subsidies	505,172,740.00	693,942,301.96	915,107,681.00	-81.1%	-31.9%
Other					
External Loans	-	-	-	-	-
Grants and subsidies	-	-	-	-	-
Investments Redeemed	-	-	-	-	-
Statutory Receipts (including VAT)	-	-	-	-	-
Other Receipts	-	-	380,564,345.00	-	-
Salaries, wages and allowances	308,843,097.40	308,843,097.40	342,135,086.00	-10.8%	-10.8%
Cash and creditor payments	381,472,840.15	532,976,573.51		100.0%	100.0%
Capital payments	551,919,198.00	636,342,392.00	328,126,401.00	40.5%	48.4%

Investments made	-	-	-	-	-
External loans repaid	-	-	-	-	-
Statutory Payments (including VAT)	-	-	-	-	-
Other payments	-	-	-	-	-
	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Audited Full Year Total</b>	<b>Original Budget variance</b>	<b>Adjusted Budget Variance</b>
Property rates	-	-	-		
Service charges	232,820,247.49	232,820,247.49	305,466,551.00	-31.2%	-31.2%
Other own revenue	64,941,768.00	1,041,768.00	74,905,835.00	-15.3%	-7090.3%
	<b>297,762,015.49</b>	<b>233,862,015.49</b>	<b>380,372,386.00</b>	-27.7%	-62.6%
Employee related costs	308,843,097.40	308,843,097.40	342,135,086.00	-10.8%	-10.8%
Provision for working capital	-	-	-		
Repairs and maintenance	92,456,124.00	106,800,919.00	124,264,236.00	-34.4%	-16.4%
Bulk purchases	26,138,535.15	26,138,535.15	19,156,293.00	26.7%	26.7%
Other expenditure	218,849,554.00	351,134,580.69	700,666,820.00	-220.2%	-99.5%
	<b>646,287,310.55</b>	<b>792,917,132.24</b>	<b>1,186,222,435.00</b>	-83.5%	-49.6%
Service charges: Electricity	-	-	-		
Grants & subsidies: Electricity	-	-	-		
Other revenue: Electricity	-	-	-		
Employee related costs: Electricity	-	-	-		
Provision for working capital: Electricity	-	-	-		
Repairs and maintenance: Electricity	-	-	-	%	
Bulk purchases: Electricity					
Other expenditure: Electricity	-	-	-		
Service charges: Water	178,574,017.00	178,574,017.00	249,329,356.00	-39.6%	-39.6%
Grants & subsidies: Water	505,172,740.00	693,942,301.96	328,126,401.00	35.0%	52.7%
Other revenue: Water	-	-	34,711.00		
	<b>683,746,757.00</b>	<b>683,746,757.00</b>	<b>577,490,468.00</b>	15.5%	15.5%
Employee related costs: Water				8.4%	4.7%

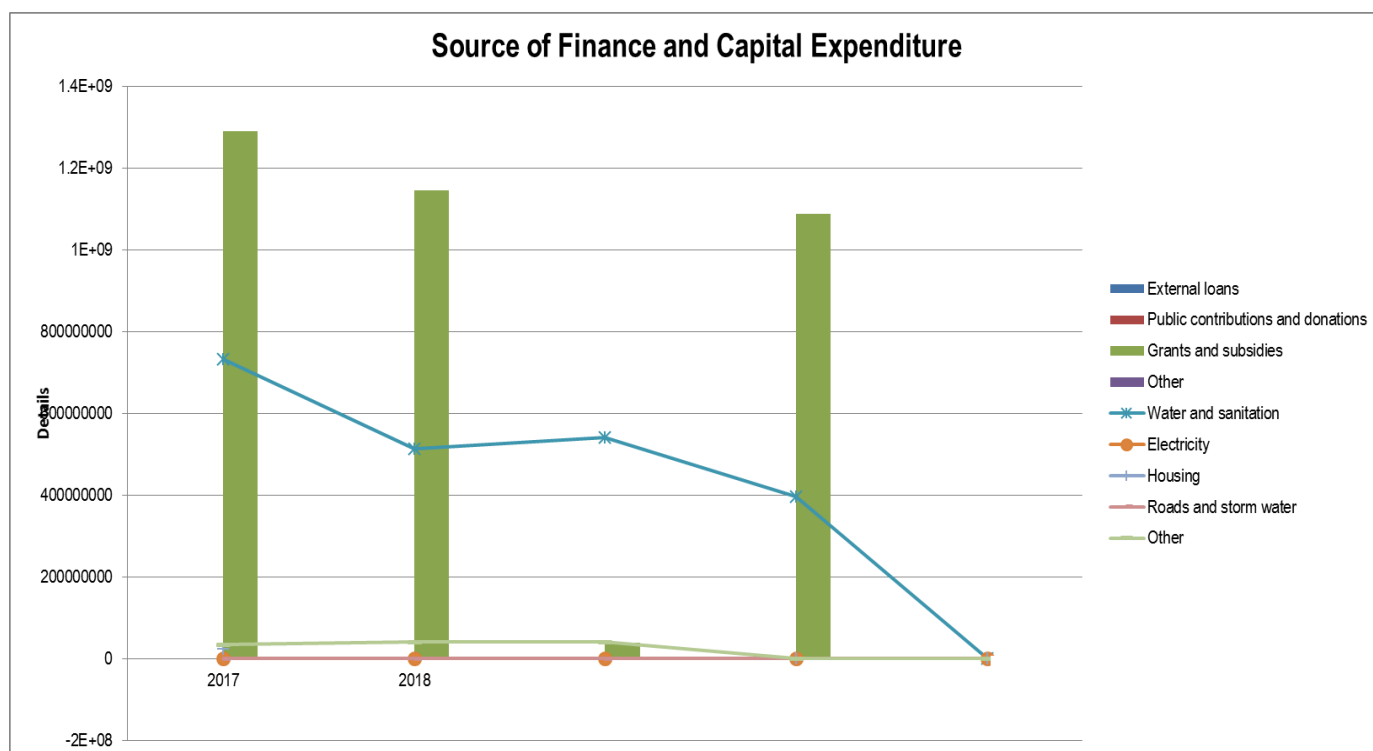
	143,313,837.00	137,718,227.00	131,284,377.00		
Provision for working capital: Water	-	-	-		
Repairs and maintenance: Water	57,401,884.00	65,899,884.00	57,265,050.00	0.2%	13.1%
Bulk purchases: Water	26,138,535.15	26,138,535.15	19,156,293.00	26.7%	26.7%
Other expenditure: Water	235,789,043.85	206,399,641.85	392,850,092.00	-66.6%	-90.3%
	<b>462,643,300.00</b>	<b>436,156,288.00</b>	<b>600,555,812.00</b>	<b>-29.8%</b>	<b>-37.7%</b>
Txxx					

## 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year -1 to Year 0							
R' 000							
Details		2017	2018				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>							
	External loans	0	0	0	0	#DIV/0!	#DIV/0!
	Public contributions and donations	0	0	0	0	#DIV/0!	#DIV/0!
	Grants and subsidies	1,289,453	1,146,290	38,528	1,088,406,807.00	-96.64%	-5.05%
	Other	-	-		0	#DIV/0!	#DIV/0!
<b>Total</b>		1,289,453	1,146,290	38,528	1,088,407	#DIV/0!	#DIV/0!
<b>Percentage of finance</b>							
	External loans	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
	Grants and subsidies	100.0%	100.0%	100.0%	100.0%	#DIV/0!	#DIV/0!
	Other	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
<b>Capital expenditure</b>							
	Water and sanitation	732,695	514,254	540,260	395,885,329.00	5.06%	-23.02%
	Electricity	0	0	0	0	#DIV/0!	#DIV/0!
	Housing	23,862			0	#DIV/0!	#DIV/0!
	Roads and storm water	0	0	-	0	#DIV/0!	#DIV/0!
	Other	33,769	42,000	42,000	0	0.00%	-100.00%



<b>Total</b>		790,326	556,254	582,260	395,885	#DIV/0!	#DIV/0!
<b>Percentage of expenditure</b>							
	Water and sanitation	92.7%	92.4%	92.8%	100.0%	#DIV/0!	#DIV/0!
	Electricity	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
	Housing	3.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
	Roads and storm water	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
	Other	4.3%	7.6%	7.2%	0.0%	#DIV/0!	#DIV/0!
							T 5.6.1



## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 18/19			Variance: Current Year 18/19	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Mhlanga water supply	22,000,000	19,500,000.00	19,675,034.71	89%	101%
Tsomo waste water treatment works	41,913,400	45,407,586.00	38,013,340.84	91%	84%
Cluster 2 water backlog RS2 Phase1	15,000,000	16,234,374.00	14,067,556.96	94%	87%
Cluster 4 water backlog Lubisi Bulk Pipeline from Skhungwini to Ndonga/ lady frere –Material supply	8,000,000	9,500,000.00	4,577,725.49	57%	48%
Cluster 9 water treatment works	75,000,000	121,684,323.00	50,689,680.95	68%	42%
* Projects with the highest capital expenditure in Year 0					
<b>Name of Project - A</b>	<b>Mhlanga water supply</b>				
Objective of Project	Provide water supply to communities				
Delays	No delays on project				
Future Challenges	Water supply from bulk contract to feed this project will only commencing September 2019 and completion sept 2020				
Anticipated citizen benefits	1445 households will be served once water comes on line in September 2020				
<b>Name of Project - B</b>	<b>Tsomo waste water treatment works</b>				
Objective of Project	Provide waste water treatment plant treat sewerage of Tsomo town				
Delays	Contractor performance and appointment of smme				
Future Challenges	None				
Anticipated citizen benefits	4943 households to benefit in long term on completion of future developments in town currently there are 2250 existing households				
<b>Name of Project - C</b>	<b>Cluster 2 water backlog RS2 Phase1</b>				
Objective of Project	Provide water to Eskiqikini, Dlakavu, Mkhonjana, Eqineni Esigxeni villages with potable water				
Delays	Contractor delays is building of reservoir struggled to get sub-contractor, struggled with earthworks due to terrain				
Future Challenges	Possible ESKOM delay, application done				
Anticipated citizen benefits	1364 households will benefit on completion of full scope of work				
<b>Name of Project - D</b>	<b>Cluster 4 water backlog Lubisi Bulk Pipeline from Skhungwini to Ndonga/ lady frere –Material supply</b>				
Objective of Project	Provide bulk supply material for the civil contract				
Delays	manufacture and delivery				
Future Challenges	None project due completion in July 2019				
Anticipated citizen benefits	n/a				
<b>Name of Project - E</b>	<b>Cluster 9 water treatment works</b>				
Objective of Project	Provide treated quality water to communities to Cluster 9, tsomo town, Cluster 8 ADM cross border villages				
Delays	Contract performance in terms completing project timeously				
Future Challenges	Securing additional funds to complete overall project				
Anticipated citizen benefits	13013 households on completion of full scope of project				

Capital Expenditure of 5 largest projects*					
					R' 000
Name of Project	Current: Year 18/19			Variance: Current Year 18/19	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
T 5.7.1					

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

### 5.8.1 INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The mandate of Chris Hani District Municipality is to deliver water and sanitation to the district.

Service Backlogs 2018/2019					
Households (HHs)					
	*Service level above minimum standard		**Service level below minimum standard		
	No. HHs	% HHs	No. HHs	% HHs	
Water	150291	68	67924	31	
Sanitation	165183	76	53030	21	
T 5.8.2					

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Managing the cash resources as Chris Hani District Municipality remains a key requirement to ensure liquidity of the Municipality in order to meet its financial obligations, both currently and into a sustainable future.

Cash flow is actively monitored to enable the municipality to meet its obligations as they become due. Both major revenue (grants, equitable share etc.) and expenditure (purchases and loan repayments) categories have been identified and accounted for appropriately to ensure that repayments are made on time and that surplus funds are invested in order to earn a favourable return on investment.

### 5.9 CASH FLOW

				R'000
Description	2018	2019		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
<b>sale of goods and services</b>	<b>1,213,204</b>	<b>1,322,020</b>		<b>1,380,108</b>
<b>Grants</b>				
<b>Government - operating</b>	84,605	65,625		183,787
<b>Government - capital</b>	1,088,407	1,146,290		1,121,970
<b>Interest</b>	—	—		—
	—	—		—

	40,192	33,154		74,351
Other revenue	–	76,951		–
Payments	(747,810)	(778,829)		(853,737)
Employees	(304,630)	–		(353,800)
Finance charges	(11,709)	(1,200)		(267)
Suppliers	(431,472)	(757,431)		(499,670)
other payments	(9,214)	(20,198)		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>465,394</b>	<b>543,191</b>	<b>–</b>	<b>526,371</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipts	3,407	–	–	–
Proceeds on disposal of PPE	3,407	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
Payments	(415,059)	(598,536)	–	(328,126)
Capital assets	(415,059)	(598,536)		(328,126)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(411,653)</b>	<b>(598,536)</b>	<b>–</b>	<b>(328,126)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
Payments	–	–	–	–
Repayment of borrowing	14		–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>14</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>58,907</b>	<b>(55,346)</b>		<b>88,553</b>
Cash/cash equivalents at the year begin:	201,939	432,849		260,846
Cash/cash equivalents at the year end:	260,846	377,503		377,919
Source: MBRR A7				T 5.9.1

## **5.12 COMPONENT D: OTHER FINANCIAL MATTERS**

### **SUPPLY CHAIN MANAGEMENT**

All Supply Chain Management officials comply with the prescribed levels required for their positions in terms of the MFMA Competency Regulation Guidelines.

There were adverse remarks in the Auditor General's Report for the previous financial year regarding the quality of the Supply Chain Management of Chris Hani District Municipality.

The Chris Hani District Municipality have adopted and implemented the following policies and practices relating to Supply Chain Management:

- Supply Chain Management Policy
- Irregular, Wasteful and Fruitless Expenditure Policy
- Infrastructure Provision Policy

## **CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS**

### **COMPONENT A: AUDITOR GENERAL OPINION OF FINANCIAL STATEMENTS 2017/2018**

# Report of the auditor-general to Eastern Cape Provincial Legislature and the council on Chris Hani District Municipality

## Report on the audit of the consolidated and separate financial statements

### Disclaimer of opinion

1. I was engaged to audit the consolidated and separate financial statements of the Chris Hani District Municipality set out on pages ... to ..., which comprise the consolidated and separate statement of financial position as at 30 June 2019, the consolidated and separate statement of financial performance, consolidated and separate statement of changes in net assets, consolidated and separate cash flow statement, consolidated and separate statement of comparison of budget and actual information for the year then ended, as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the consolidated and separate financial statements of the municipality because of the significance of the matters described in the basis for a disclaimer of opinion section of my report. I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements

### Basis for disclaimer of opinion

#### Property, plant and equipment

3. The municipality did not recognise all its property, plant and equipment (PPE) in accordance with GRAP 17, Property plant and equipment. Land was incorrectly classified as buildings. Consequently land as disclosed in note 3 to the consolidated and separate financial statements is understated by R26,3 million and buildings in the same note is overstated by the same amount. Depreciation and amortisation is understated by R15,8 million and accumulated depreciation is understated by the same amount as the municipality used the incorrect useful life to calculate depreciation on movable assets.
4. I was unable to obtain sufficient appropriate audit evidence for some of the items in PPE. This was due to the poor state of accounting records. Not all supporting documents were submitted to substantiate the municipality's ownership and loss of ownership of land. Movable assets of R13,8 million and work in progress of R27,2 million recorded in note 3 to the consolidated and separate financial statement did not agree with the movable assets and work in progress in the asset register and no supporting documents were submitted to support the difference. Some of the movable assets could not be traced to the asset register.
5. The municipality did not assess all infrastructure assets and work in progress for impairment, as identified damaged and vandalised assets were included in the infrastructure assets and work in progress without being impaired. Infrastructure assets of R25,4 million included in the fixed asset register could not be verified and not all infrastructure assets still in progress were recorded in the asset register. Infrastructure assets that are still in use were included at a zero balance in the consolidated and separate financial statements.

6. Consequently, I was unable to determine whether any further adjustments were necessary to properly plant and equipment stated as R4,1 billion, impairment loss stated at R1,9 million, depreciation stated at R155,9 million, and accumulated depreciation and accumulated impairment stated at R1,2 billion in note 3 to the consolidated and separate financial statements.
7. Furthermore, I was unable to obtain sufficient audit evidence for the adjustment made to the comparative figure for work in progress amounting to R371,3 million, due to the poor status of accounting records, as no supporting documents were submitted to substantiate the adjustment. Consequently, I was unable to determine whether further adjustments were necessary to the comparative amount for work in progress stated as R507,9 million in note 3 to the consolidated and separate financial statements.

#### Revenue from exchange transactions

8. The municipality did not recognise revenue from exchange transactions in accordance with GRAP 9, *Revenue from exchange transactions* due to inadequate systems in place for revenue management, as revenue was billed using incorrect rates, incorrect consumption units were used and some customers were not billed throughout the year. Consequently, I was unable to determine the full extent of the misstatement as it was impractical to do so. As a result, I was unable to determine whether any adjustment was necessary to revenue from sale of water stated as R249,3 million (2017-18: R221,8 million) in note 24 to the consolidated and separate financial statements.

#### Receivables from exchange transactions

9. In my previous year's audit report, I modified my opinion on receivables from exchange transactions in note 14 to the consolidated and separate financial statements due to the poor state of accounting records. The municipality did not make the necessary adjustments to this balance. I was unable to confirm receivables from exchange transactions by alternative means as it was impractical for me to do so. Consequently, I was unable to determine whether any further adjustments were necessary to gross receivables from exchange transactions stated as R1,7 billion (2017-18: R1,3 billion) in note 14 to the consolidated and separate financial statements.
10. As a consequence, I was unable to determine whether any adjustments were necessary to the allowance for impairment of R1,4 billion (2017-18: R1,2 billion) disclosed in note 14 to the consolidated and separate financial statements; the debt impairment expense of R173,4 million (2017-18: R267,4 million) disclosed in the consolidated and separate statement of financial performance; and interest – debtors of R38,5 million (2017-18: R11,4 million) disclosed in note 27 to the consolidated and separate financial statements.

#### Vat receivable

11. I was unable to obtain sufficient audit evidence for vat receivable due to the limitations and disagreement in respect of receivables from exchange transactions, revenue from exchange transactions and payables from exchange transactions, which have an impact on the calculation of vat receivable. Consequently, I was unable to determine whether any adjustment was necessary to vat receivable of R169,1 million (2017-18: Vat payable of R5,8 million) disclosed in the consolidated and separate financial statements.



### Unspent conditional grants and receipts

12. I was unable to obtain sufficient appropriate audit evidence for unspent conditional grants, as the municipality did not maintain accurate and complete records of amounts received from provincial and national government departments. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to unspent conditional grants and receipts disclosed as R312,4 million (2017-18: R307,6 million) in the consolidated and separate financial statements.

### Payables from exchange transactions

13. The municipality did not recognise trade payables in accordance to GRAP 1, *Presentation of financial statements*, due to an inadequate credit management system in place, as trade payables included amounts for goods and services that had not been received at year-end. Consequently, trade payables as disclosed in note 19 to the consolidated and separate financial statements were overstated by R32,8 million, and expenditure was overstated by the same amount.
14. I was unable to obtain sufficient audit evidence for retentions. This was due to the poor state of accounting records as supporting documents to substantiate the reversals and removals of retentions were not submitted. I was unable to confirm whether any adjustment was required to retentions stated as R34,8 million in note 19 to the consolidated and separate financial statements.

### Cash and cash equivalents

15. The municipality did not account for cash and cash equivalents as required by GRAP 104, *Financial instruments*, as the amount of cash and cash equivalents disclosed in the financial statements did not agree to the amount in the bank confirmation. This was because management did not clear unreconciled differences. Consequently, cash and cash equivalents disclosed in the consolidated and separate statement of financial position, were understated by R14,1 million and payables from exchange transactions were understated by the same amount.

### Cash flow statement

16. The municipality did not prepare the consolidated and separate cash flow statement in accordance with GRAP 2, *Cash flow statements*, as it incorrectly calculated the cash flow statement. Consequently, the net increase in cash and cash equivalents was understated by R81,1 million (2017-18: R188,7 million) and the cash and cash equivalents at the beginning of the year were understated by R13,4 million (2017-18: R33,8 million).

### Water distribution losses

17. Section 125(2)(d)(i) of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) requires the notes to the consolidated and separate financial statements of a municipality to include particulars of any material losses. Water distribution losses of R8,4 million (2017-18: R119,3 million), which represent 15% (2017-18: 59%) of the total water distribution losses, were disclosed in note 53 to the consolidated and separate financial statements. I was unable to obtain appropriate audit evidence that distribution losses that should have been recorded, were recorded and that distribution losses were recorded at an appropriate amount. This was because the municipality was not able to provide sufficient appropriate audit evidence to support these amounts. I was unable to perform alternative procedures due to a lack of controls over the recording of these losses. Consequently, I was unable to determine whether any adjustment was necessary to the water distribution losses disclosed as R8,4 million (2017-18: R119,3 million) in note 53 to the consolidated and separate financial statements.

### Irregular expenditure

18. The municipality did not have adequate systems to account for irregular expenditure identified and disclosed as required by section 125(2)(d)(i) of the MFMA. Differences were identified when performing a recalculation between the amounts disclosed in the consolidated and separate financial statements and supporting documentation submitted for audit. Consequently, irregular expenditure as disclosed in note 50 to the consolidated and separate financial statements was overstated by R25,4 million.
19. Furthermore, in my previous year audit report I modified my opinion on irregular expenditure in note 50 to the consolidated and separate financial statements due to non-submission of information, and the municipality did not make the necessary adjustments to this balance. I was unable to confirm irregular expenditure by alternative means as it was impractical for me to do so. Consequently, I was unable to determine whether any further adjustments were necessary to irregular expenditure stated as R1,5 billion (2017-18: R1,3 billion) in note 50 to the consolidated and separate financial statements.

### Corresponding figures

20. I reported during my 2018 audit that the municipality did not account for expenditure transactions as required by GRAP 1, *Presentation of financial statement*. No evidence could be provided during the year under review that the prior year misstatement was corrected. As a result, the corresponding figure for general expenditure as stated in the consolidated and separate statement of financial performance is understated by R34,4 million, and the corresponding figure for accumulated surplus is understated by the same amount.
21. In addition, the cash flow statement relating to the prior year was calculated incorrectly. Consequently, the prior year net cash flows from operating activities were overstated by R33,9 million, and note 39 to the consolidated and separate financial statements were overstated by the same amount.

### Aggregation of immaterial uncorrected misstatements

22. I was unable to obtain sufficient appropriate audit evidence regarding current assets, which had a material cumulative effect on current assets:

- Receivables from non-exchange transactions of R9,1 million, as included in the disclosed balance of R40,5 million;
- Prepayments of R10,7 million, as included in the disclosed balance of R13 million;
- Inventory of R11,7 million, as included in the disclosed balance of R11,7 million.

I was unable to confirm total current assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to total current assets.

### Emphasis of matter

23. I draw attention to the matters below. My opinion is not modified in respect of these matters.

#### Unauthorised expenditure

24. As disclosed in note 48 to the consolidated and separate financial statements, the municipality has accumulated unauthorised expenditure amounting to R616 million relating to prior years. Council has not investigated the unauthorised expenditure.

#### Fruitless and wasteful expenditure

25. As disclosed in note 49 to the consolidated and separate financial statements, the municipality has accumulated fruitless and wasteful expenditure amounting to R4 million from prior years, while R10,9 million (2017-18: R0,4 million) was incurred in the current year. This resulted in a closing balance of R14,9 million during the current year. Council did not investigate the fruitless and wasteful expenditure.

#### Underspending of the budget

26. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent the budget by R127 million.

#### Restatement of corresponding figures

27. As disclosed in note 45 to the consolidated and separate financial statements, the corresponding figures for 30 June 2018 have been restated because of errors in the financial statements of the municipality at, and for the year ended, 30 June 2019.

## **Other matter**

28. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## **Unaudited disclosure notes**

29. In terms of section 125(2)(e) of the MFMA, the entity is required to disclose particulars of non-compliance with this legislation. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion thereon.

## **Responsibilities of accounting officer for the consolidated and separate financial statements**

30. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the MFMA and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora) and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
31. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the Chris Hani District Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the consolidated and separate financial statements**

32. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.
33. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

34. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance area (KPA) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
35. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
36. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2019:

Key performance area	Pages in the annual performance report
KPA 2 – Basic service delivery and infrastructure development	X – X

37. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
38. The material findings in respect of the usefulness and reliability of the selected key performance area are as follows:

#### Number of process audit conducted in all 18 WWTWs

42. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target: One process audited conducted in all 18 WWTWs. This was due to limitations placed on the scope of my work and lack of availability of sufficient and appropriate supporting evidence for the reported achievement. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of One process audited conducted in all 18 WWTWs as reported in the annual performance report.

#### Various indicators

43. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Indicator description	Reported achievement	Audited value
Number of food premises monitored in line with the Food, Cosmetics and Disinfectant Act, 1972 (Act No. 54 of 1972) as amended	669 food premises monitored in line with the Food, Cosmetics and Disinfectants Act, 1971 (Act No. 54 of 1972) as amended	777 food premises monitored in line with the Food, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972) as amended
Number of drinking water sample points monitored in accordance with SANS 241	2 220 drinking water samples monitored in accordance with SANS 241	1 703 drinking water samples monitored in accordance with SANS 241

#### Other matters

44. I draw attention to the matters below.

#### Achievement of planned targets

45. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) [x to x] of this report.

#### Adjustment of material misstatements

46. I identified material misstatements in the annual performance report submitted for auditing. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## Introduction and scope

47. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
48. The material findings on compliance with specific matters in key legislations are as follows:

## Annual financial statements, performance reports and annual reports

49. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

Material misstatements of non-current liabilities; current liabilities; revenue; expenditure and disclosure items identified by the auditors in the submitted consolidated and separate financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer audit opinion.

## Expenditure management

50. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for disclaimer paragraph. Most of the disclosed irregular expenditure was caused by non-compliance with the supply chain management (SCM) regulations.
51. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R10,9 million, as disclosed in note 49 to the consolidated and separate financial statement, in contravention of section 62(1)(d) of the MFMA. The disclosed fruitless and wasteful expenditure was caused by interest and penalty on late payments.

## Revenue management

52. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.
53. An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.

## Asset management

54. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.
55. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

56. Capital assets were disposed of without the municipal council having decided in a meeting open to the public whether the assets were still needed to provide the minimum level of basic municipal services, as required by section 14(2)(a) of the MFMA.

#### Conditional grants

57. Performance in respect of programmes funded by the municipal infrastructure grant (MIG) and the water services infrastructure grant (WSIG) was not evaluated within two months after the end of the financial year, as required by section 12(5) of Dora.

#### Strategic planning and performance management

58. The performance management system and related controls were not maintained as it did not describe how the performance planning, monitoring, measurement and reporting processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

#### Procurement and contract management

59. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(a) and (c). Similar non-compliance was reported in the prior year.
60. Bid documentation for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(2).
61. Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulation 44.
62. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was reported in the prior year. This non-compliance was identified in the procurement processes for the majority of the ongoing contracts, including project number 29/2010/MD(TS) – Elimination Rural Sanitation Backlog in CHDM: Region 2 Intsika Yethu, which is a key project.
63. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA. Similar non-compliance was reported in the prior year.

#### Human resource management

64. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act

#### Consequence management

65. Unauthorised expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.



66. Irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
67. Disciplinary proceedings were not instituted by the council where the report of independent investigators confirmed the financial misconduct by a senior manager, as required by 5(6) of the disciplinary regulations for senior managers and 6(8) of the municipal regulations on financial misconduct procedures and criminal proceedings.

#### Other information

68. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the consolidated and separate financial statements, the auditor's report and the selected key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.
69. My opinion on the consolidated and separate financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
70. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
71. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### Internal control deficiencies

72. I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
73. Oversight by leadership and those charged with governance was ineffective in the current year, with a slow response to address the key issues raised during the prior year audit. Although an audit action plan was in place, this was not adequately implemented or monitored, resulting in numerous repeat audit findings that could have been avoided.
74. Leadership did not ensure that adequate resources were in place to enable efficient and effective operations. This is evidenced by the vacancies in key management positions.

75. There is an inadequate control environment at the municipality with ineffective daily and monthly processing and reconciliation of transactions. Misstatements were found in the submitted consolidated and separate financial statements for items that were not identified by the municipality's system of internal control. The lack of a properly functioning control environment resulted in these deficiencies in the record management system and underlying records. Furthermore, compliance with legislation is not monitored adequately, resulting in compliance findings in the current year.

#### Other reports

76. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's consolidated and separate financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.
77. At the time of this report, an external service provider was conducting an investigation into allegations of misconduct on the part of a municipal management official. The investigation was initiated during 2019 and is still in progress.

*Auditor General*  
East London

17 December 2019



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## **Annexure – Auditor-general's responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements, and the procedures performed on reported performance information for selected key performance areas and on the municipality's compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the consolidated and separate financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chris Hani District Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

## AUDITOR GENERALS AUDIT ACTION PLAN FOR 208/2019 F/Y

COAF No.	No.	Process/ Department	Audit Finding description	Ex. No.	Description	Repeat Finding from PY?	Cause/Internal Control System Lapse (Audit Report & Management Report)	Root Cause- AG	Root Cause- Management	Recommendation by the AG	Management Action Plan Description	Portfolio of Evidence POE
COAF110	1	Accounts Payable	Supporting information for payables journals not provided	ISS.246	Journals did not include the original source document to confirm the validity and accuracy of the journal passed.	NO	Lack of controls over daily and monthly processing and reconciling of transactions	Lack of controls over record keeping in the municipality	Poor record keeping	Management should always keep sufficient and appropriate source documents ready in order to support the amounts reflected in the financial statements.	1.Develop of checklist for journal. 2.Management will prepare and provide information journal with supporting documents and clear description. 3.Journals should not be authorised without supporting documents by Manager and; 4. Review of the vote number before in the sytem before authorisation. 5. Review all journal processed from July 2019 to June 2020 6. Ensure proper record keeping	1.Proper documents supporting journals. 2. Approved signed SOP. 3. Review report of journals
COAF108	2	Accounts Payable/ Receivables	Scope limitation- Payments received in advance	ISS.236	Information to validate payments received in advance was not provided	NO	Lack of controls over daily and monthly processing and reconciling of transactions	Lack of controls over record keeping in the municipality	Lack of detailed reconciliation	Management should always ensure that amounts reported on in the financial statements are supported by valid and complete supporting documents.	1. Prepare advance payment register not general ledger information. 2. Supporting documents be filled and reconciliation of the general ledager and the	1. Allocated deposits and/ or journals; 2. Reconciliation Report. 3 Report on clearing of unallocated deposit

										Management should also ensure that information requested is submitted within the agreed time frames	consumer account. 3. Monthly clearing of unallocated deposit.	
COAF113	3	Cash Flow Statement	Comparative figures not accurate	ISS.248	Differences identified in cash flow from operating activities	Yes	Lack of review and monitoring of compliance with applicable laws and regulations.	Lack of thorough review of the financial statements before they are submitted for audit.	1.Lack of thorough reviews of AFS . 2.Non implementation of AFS preparation plan	Management should ensure that a thorough review is done by the CFO	1.AFS will be thorough reviewed before submission to the AG. 2.Set a deadline for closing of transaction processing to the GL at year end to allow enough time for review after AFS preparation; 3. Monthly review of AFS Plan and fully implementation therefore. 4. Monthly review of bank reconciliation vs GL. 5. To submit mid- year and quarterly FS and AFS to Internal Auditor for audit.	1Signed reviewed AFS. 2. Memo circulated to CHDM user on deadlines. 3. Report on AFS Plan . 4.Signed Reviewed Bank Reconciliation 5. Internal Audit Report on AFS audit.
COAF36	4	Conditional Grants	Conditional Grants not cash backed	ISS.141	The Municipality could not provide evidence that unspent conditional grants disclosed on the AFS were received	Yes	Lack of reconciliation of accounts	This was as a result of not properly reconciling the amounts received and spent for the above mentioned grant.	1.Lack of thorough grants reconciliation. 2. Poor Record Keeping of old grants received.	Management should ensure that a reconciliation between the amount received for each grants are reconciled to the expenditure relating to the grant.	1.Grant accounts with movements will be reconciled on a monthly basis and reconciliations will be approved by the CFO. 2. Write letters to department and request conditions of the previous unspent grants.	1. Recons Approved by the CFO 2. Letters to the Departments

COAF 33	5	Inventory	Inventory Quantities on Hand could not be confirmed as there were no count sheets or count records kept.	ISS.72	Internal audit identified material control deficiencies for the count conducted in May 2019. Fyrtner to this internal auditor were not invited to the year end count to confirm if the control deficiencies were addressed. Because of the identified control deficiencies, we could not confirm the value of stock on hand as at 30 June 2019. The Balance could not be confirmed by alternative means.	NO	Lack of oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	This is as a result of year end count quantities not confirmed or counted together with the Internal Audit Department.	1. Not inviting Internal Audit and External Audit during the inventory counts. 2. No inventory count performed at the year end.	Management should issue an official invitation to the Auditor General of South Africa for the year end count. Management should ensure accurate and complete count sheets / records are kept for inventory records at year end and that the count sheets are authorised / approved by Auditor General of South Africa (AGSA) or a member of Internal Audit.	1. Develop and implement SOP for inventory count. 2..Invite relevant stakeholder for inventory counts at year end. 3. Invite Internal Auditor on the third quarter inventory count. 4. Filled inventory counts sheets quartely basis. 5. Conduct water inventory count at year end and invite stakeholders. 6. Conduct verification of water inventory from Local municipality	1. Approved SOP and implementation report 2. Invitation letter to Auditor General & Internal Auditor. 3. Inventory counts sheets. 4. Verification report
COAF 38	6	PPE	Some assets appeared in the Eastern Cape Deeds register as being owned by the Chris Hani District Municipality but could not be found in the FAR.	ISS 137	Some assets recorded in the fixed asset register could not be traced to the GIS	NO	Lack of oversight responsibility over financial and performance reporting and compliance and related internal controls	Lack of management oversight and proper review	Non alignment of Deeds register with CHDM FAR	Management should implement adequate controls that will ensure that proper information in the asset register is accurate, reliable and relevant..Manag ement should update the asset register and ensure that all assets included are under the name of the	1.Quartely review and reconciliation of asset register. 2.Conduct Deeds search and update asset register. 3. Identify properties that was resolved by Council in 2011 to be removed and the list be submitted to office of the Municipal Manager to be legal transferred to the beneficiaries.	1.Approved reconciliations. 2 Deeds search report. 3. Letter submitted to the Office of the MM. 4 Feedback from the Office of the MM

										Municipality.		
COAF 34	7	Irregular Expenditure	Procured services were incorrectly included in the deviation register and approved as deviations whereas they do not meet the criteria to be classified as deviations.	ISS.100	Execution SCM: Deviation not inline with SCM regulations	NO	Non compliance with applicable laws and regulations.	The cause of the finding above is as a result of lack of internal controls over the procurement processes	Non alignment of SCM Policy with SCM regulations	The municipality must ensure that the SCM policy is in line with the requirements of the SCM regulations and this is complied with when deviating from the normal process.	1. Review SCM Policy to align SCM Regulation. 2. Develop and workshop SOP (Deviation) 3. Review the deviations register. 4. Investigate the entire population of deviation register and categories as per definition of deviation.	1. Approved SCM Policy. 2. Approved SOP for deviation, attendance register for workshop. 3. Reviewed deviation register. 4. Investigation report on entire population.
COAF 44	8	Irregular Expenditure	Tenders were awarded to service providers with a conflict of interest, the declarations were only done after award.	ISS.65	Execution SCM: Declaration submitted after the awards	NO	Non compliance with applicable laws and regulations.	The cause of the finding is that there is a lack of exercise of oversight by management to ensure that declarations of interest are attached to all bids and quotations received from service providers before the awards are made.	Non compliance with SCM Policy	Management should ensure that all bids and quotations received from service providers are not evaluated without first ensuring that the service provider has submitted a declaration of interest	Enforce SCM checklist for contracts upgrades.	Adjudication reports
COAF 44	9	Irregular Expenditure	No declarations of interest were submitted for selected payment vouchers that required the declarations:	ISS.152	Execution SCM: Declaration of Interest not submitted	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and	The cause of the above finding is the poor record keeping system that is currently in place at the municipality	Non compliance with SCM Policy and Checklist	Management should ensure that all documents relating to an acquisition of goods/services are filed immediately upon the	Enforce SCM checklist.	Payments voucher with signed declaration forms

							available to support financial and performance reporting			conclusion of the award		
COAF 51	10	Irregular Expenditure	Non-compliance identified from the quotation process: Written price quotations were not obtained from at least three different prospective providers for the following: The reasons given by management as per the policy is noted however the justification does not seem reasonable as the competitive bidding process or three written quotes will, through functionality evaluation, determine the suitable supplier that will be able to provide the services to the municipality. Furthermore, the municipality does not have a documented system of how the rotation would be	ISS.143	Procurement and Contract Management-Quotations not procured per SCM regulations	YES	Non compliance with applicable laws and regulations.	This is as a result of lack of internal controls over the procurement processes. This is also due to management not implementing recommendations made on prior audits.	Non alignment of SCM Policy with SCM Regulations.	Management should ensure that they exercise their oversight responsibility relating to internal controls to ensure that internal controls are implemented continuously and are effective. The municipality should also ensure that the SCM policy is in line with the requirements of the SCM regulations. Management should consider sourcing suppliers through competitive bidding process with the required necessary expertise for a certain period of time.	1. Competitive bidding process to be followed for the appointment of service providers 2. Review and align of SCM Policy. 3. Update Irregular Expenditure	1. Appointment letter of service providers 2. Draft Reviewed SCM Policy. 3. Updated Irregular Expenditure.



			applied to avoid having other suppliers being chosen more than the others. Quotations were awarded to suppliers who did not score the highest points based on predetermined criteria.									
COAF 67	11	Payables from exchange transactions: Accrued leave	Incomplete leave records	ISS.184	Leave forms submitted do not agree to the leave taken on the attendance register submitted	NO	Lack of daily and monthly controls over reconciliations	This is due to a lack of exercise of oversight by management to ensure that the attendance registers and leave forms are kept and can be reconciled	Poor record keeping	Management should ensure that the attendance registers and leave forms requested for audit are submitted timeously and the leave taken is recorded on the attendance register.	1.Reconciliation of leave taken and leave register on a monthly basis. 2.Recons should be approved by the Manager.	Approved reconciliations
COAF 19	12	PPE	Assets register balances different from annual financial statements balances	ISS.68	An asset register and the annual financial statements for 2018/19 period were submitted for audit. The comparison between the asset register and the AFS showed differences	NO	Lack of oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	This was due to lack of management oversight and proper review	Non compliance with AFS Preparation Plan	<ul style="list-style-type: none"> <li>Management should ensure that proper processing of transactions in the annual financial and accompanying schedules are performed and proper reconciliations and reviews are conducted to ensure accuracy.</li> <li>Management should ensure that it keeps proper records to support information reported in the</li> </ul>	1. Strengthen the implementation of AFS preparation plan by conducting weekly meetings 2.Enforce deadline for closing of transaction processing to the GL at year end to allow enough time for review after AFS preparation 3. Improve review of Annual financial statement in the caseware against the Trial	1. Attendance Register & Minutes 2.Approved reviewed PPE note & Asset Register by CFO. 2. Signed Reviewed AFS by CFO 3. Report on paymnet schedule

										financial statements.	Balance and Asset Register. 4.Early submission of correct PPE note to AFS section. 5. Develop and implement payment schedule on a monthly basis.	
COAF 20	13	PPE	Prior year closing balances for PPE were compared to current year comparative balances and the below differences were identified	ISS.69	Property plant and equipment :Non Submission of information to support other changes movements	NO	This was due to lack of management oversight and proper review	This was due to lack of management oversight and proper review	1. Lack of proper review of closing balance and opening balance.	Management should ensure that proper reviews on the annual financial statements are performed to ensure all line items are correctly classified. Furthermore, the above identified should be reclassified correctly.	1. Proper review of Closing and Opening balances on time. 2. Continuously workshop on MSCOA version. 3 . Improve review of Annual financial statement in the caseware against the Trial Balance and Asset Register. 4.Early submission of correct PPE note to AFS section.	1.Report on prior year closing and current year opening balance 2. Attendance register for MSCOA workshop 2.Approved reviewed PPE note by CFO. 2. Signed reviewed AFS by CFO
COAF 38	14	PPE	While conducting physical verification plots of land were classified as buildings in the asset register.	ISS.133	Land incorrectly classified as buildings	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of management oversight and lack of proper reviews	1. Lack of thorough review of asset register	Management should ensure that it maintains a proper asset registers and implement controls that will ensure accuracy of the asset register. The population for buildings in the asset register should be visited and assted and be corrected.	1. Physical verification of Assets . 2. Proper review and Update Asset register 3. Quartely reconciliation of the assets accounts will also be performed and approved by the Asset Manager and the CFO. 4. Fully implementation of Asset Module.	1. Verification Report 2. Review Report & Updated FAR 3.,Approved Asset Reconciliations. 4. Report on Asset Module implementation.

COAF 38	15	PPE	Assets could not be confirmed to be owned by the Municipality	ISS134	Ownership of the buildings could not be confirmed	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of management oversight and lack of proper reviews	Lack of proper record keeping.	Management should implement adequate controls that will ensure that proper information in the asset register is accurate, reliable and relevant.  Management should update the asset register and ensure that all assets included are under the name of the Municipality.	1. Conduct the Deeds search. 2. Physical verification of assets for completeness. 3. Appraise the Council about ERF numbers with unknown history and Legal office to advise the council on the process to acquire the land. 4. Update the asset register	1, Deed Search report. 2. Verification report. 3. Status Report / Council Resolution. 4 Updated asset register
COAF 85	16	PPE	The depreciation was calculated incorrectly for some assets	ISS. 148 & 146	Differences in depreciation recalculation for Movable assets	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of management oversight and lack of proper reviews	Lack of review of useful lives and disclosure .	Management should ensure proper reviews and reconciliations on the asset register are performed.  The population for additions of movable assets should be revisited and the depreciation be adjusted.	1. Proper review useful lives of assets . 2. Determine the formula to use for each class of asset. 3. Update asset register according to applicable standards.	1. Report on review of useful lives 2. Disclosure on assets have useful lives reviewed. 3 Updated asset register
COAF 85	17	PPE	The Carrying values for some assets were incorrectly valued.	ISS.147	Opening Balance - Movable assets Incorrect carrying values	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and	This was due to lack of management oversight and lack of proper reviews	Lack of review of useful lives and disclosure .	Management should maintain proper record keeping ensuring that the information in the in the asset register is accurate and complete.  The population for movable	1. Proper review useful lives of assets . 2. Determine the formula to use for each class of asset. 3. Update asset register according to applicable standards.	1. Report on review of useful lives 2. Disclosure on assets have useful lives reviewed. 3 Updated asset register

							performance reporting			assets should be revisited and corrected for all the asset that had incorrect depreciation calculated.		
COAF 85	18	PPE	Licensing and registration cost were capitalised to the assets.	ISS.149	Incorrect items capitalised to the cost of the asset.	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of proper reviews	Lack of detailed checking of invoices before captured information in asset registers.	Management should ensure proper review and reconciliations of financial statements are performed to ensure that proper transactions are recorded.	1. Review and analyse motor vehicle licensing and registration costs (invoice). 2. Update the Asset Register and GL and journalise the licencing.	Updated FAR, Reversing journals if not yet processed
COAF 38	19	PPE	When physical asset verification was conducted, assets selected from the floor could not be traced back to the asset register.	ISS 150	Movable Assets selected from Municipal premises could not be traced back to municipality fixed asset register	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of management oversight	Proper of quality checks during verification.	Management should implement proper record keeping that will ensure that complete asset register is maintained. Management should update the asset register by recording all assets.	1. Conduct thoroughly reviews of quality checks of asset sheets. 2. Update asset register	1. Report on review on quality checks. 2. Updated FAR
COAF 29	20	PPE	Infrastructure Assets from the Fixed Asset Register could not be traced to the GIS System report (GIS asset register)	ISS 104	Some assets recorded in the fixed asset register could not be traced to the GIS	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support	This is due to lack of controls over the labelling and proper description of the assets in the Fixed Asset register which could be verified in GIS.	1.Lack of reconciliation between GIS system and FAR. 2. Non availability of asset system that locate	Management should ensure that a valid, accurate and complete asset register is maintained and ensure Assets are traceable to their physical location	1.Reconciliation and align asset register and GIS. 2. To investigate and benchmark with other similar municipalities. 3. Ensure completeness of GPS coordinates on all our assets.	1.Reconciliation Report 2. Report on investigation and benchmarking. 3. Report on GPS coordinates 4 Physical verification report and

							financial and performance reporting		and identify.		4. Conduct Physical verification of assets and update asset register	updated FAR.
COAF 90	21	PPE	Property Plant and Equipment: Work in Progress: No clear project description on additions to Work in Progress.	ISS. 185	Additions in the Work in progress register have no clear indication of the projects which are currently being conducted by the municipality. Could not verify the projects to which the cost relates to	NO	This is due lack of controls over the tracking and recording of capital expenditure for each project currently in progress.	This is due to management estimate not being in line with the provision of the reporting framework and no proper controls in place over the maintenance, recording of assets.	Lack of thorough reviews	Management should ensure that a valid, accurate and complete asset register is maintained and ensure all capital expenditures are linked to a project currently in progress.	1. Review of asset register and submit to AG during planning. 2. Update WIP register.	Updated Asset & WIP register
COAF 90	22	PPE	Property Plant and Equipment: Work in Progress: Projects per the Contract Register do not appear in the Work in Progress register.	ISS. 185	Capital projects identified in the Contract register could not be traced to the WIP Register:	NO	This is due lack of controls over the tracking and recording of capital expenditure for each project currently in progress.	This is due to management estimate not being in line with the provision of the reporting framework and no proper controls in place over the maintenance, recording of assets.	Disagreement between CHDM and AG on classification of operational and capital projects.	Management should ensure that a valid, accurate and complete asset register is maintained and ensure all capital expenditures are linked to a project currently in progress.	1. Engage AG during the planning to resolve the findings.	Attendance register and minutes of the engagement
COAF106	23	PPE	Management did not consider the full asset register for impairment as required by GRAP 21. Impairment estimate criteria is not reasonable resulting to a limitation of	ISS. 215	PPE Infrastructure: Infrastructure assets overstated as impairment assessment was not done for all assets	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance	This is due to management estimate not being in line with the provision of the reporting framework and no proper controls in place over the maintenance,	1. Failure to fully conduct assets assessment for impairment.	Management should ensure that a valid, accurate and complete asset register is maintained and ensure all capital expenditures are linked to a project currently in progress.	1. Develop programme of action on conducting conditional assessment with Area Managers. 2. Fully conduct conditional assessment of infrastructure assets to update the asset register.	1. Programme of action, attendance register and minutes. 2. Condition Assessment Report and updated AFR

			scope on the estimate. Some Infrastructure Assets with poor condition were not considered for impairment. Some assets were not included in the conditional assessment list for Testing of Impairment and should be considered for Impairment.				reporting	recording of assets.				
COAF106	24	PPE	Management did not conduct a re-assessment of useful life on assets still in use but have been fully depreciated for infrastructure.	ISS.239	PPE Infrastructure: Infrastructure assets: Fully depreciated assets not re-assessed for useful life	NO	Lack of controls over daily and monthly processing and reconciling of transactions	Management was not aware of the new updates of GRAP 17, that require assessment of useful lives, residual values and depreciation methods of assets at every reporting date.	Not all assets classes were considered for assessment of useful lives	Management should ensure the asset register is valid, accurate and complete. Management should also ensure that the asset register is compiled in accordance with the applicable financial reporting framework.	1. Conduct assessment of useful lives for all asset classes. 2. Updating the asset values and depreciation. 2. Fully implementation of Asset Module.	1. Assessment report of useful lives 2. Updated AFR 3. Report on asset module implementation
COAF106	25	PPE	Depreciation of some assets has been incorrectly calculated	ISS.241	PPE Infrastructure: Non High value Items: Depreciation in inaccurately calculated	NO	Lack of oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	This is due to the estimated useful lives utilized by management to compute the depreciation value not in line with the Useful life as stated in the Asset	Lack of review of useful lives and disclosure .	Management should ensure the asset register is valid, accurate and complete. Management should also ensure that the asset register is compiled in accordance with the applicable	1. Proper review of useful lives of assets . 2. Determine the formula to use for each class of asset. 3. Update asset register according to applicable standards.	1. Report on review of useful lives 2. Disclosure on assets have useful lives reviewed. 3. Updated asset register

								management policy.		financial reporting framework.		
COAF 115	26	PPE	Carrying values of PPE projects taking longer than expected in terms of GRAP 17 (par 87) were not disclosed. Reasons for the delays were not provided.	ISS.257	PPE(All Assets) : Presentation and disclosure issues raised.	NO	Lack of oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	This is due to the non-compliance with the requirements of the reporting framework as applied by the entity on the disclosure of Property, plant and equipment.	Non compliance of GRAP 17	Management should ensure that the asset register is maintained and monitored throughout the reporting period and that the financial statements include all material discloses required by GRAP 17.	1. Review asset that taking longer than expected and disclose in the AFS. 2. Develop GRAP 17 Checklist	1. PPE Disclosure note. 2. Approved GRAP 17 Checklist
COAF 31	27	PPE	Duplicated Assets were identified on the asset registers.	ISS.88	General findings on the asset register: CAATS 1 Duplicate Asset numbers	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of Oversight and regular reviews of the asset register	Lack of thorough reviews of movable asset register.	Management should ensure that proper processing of transactions in the annual financial and accompanying schedules are performed and proper reconciliations and reviews are conducted to ensure accuracy. Management should ensure that it keeps proper records to support information reported in the financial statements.	1. Conduct Physical verification and review asset register. 2. Update asset register. 3. Fully implementation of Asset Module.	1. Verification & Review Report. 2. Updated AFS 3. Implementation Report

COAF 31	28	PPE	Some assets did not have bar codes in the asset registers.	ISS. 89	General findings on the asset register: CAATS 2 Assets without barcodes and serial numbers	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of management oversight and lack of proper reviews.	Lack of timesouly reviews of repairs and maintenace and asset on less threshold votes.	Management should ensure that proper processing of transactions in the annual financial and accompanying schedules are performed and proper reconciliations and reviews are conducted to ensure accuracy. Management should ensure that it keeps proper records to support information reported in the financial statements.	1, Review repairs and maintenance and asset less threshold vote monthly. 2. Arrange quartley meeting to discuss both votes with Engineering. 3. Monitor capture sheets for completeness. 4. Update asset register. 5. Fully implementation of Asset Module.	1. Repairs and manitenance and Asset on less treshhold vote revieww report. 2. Attendnace register and minutes 3. Moniotirng report on capture sheets. 4.Updated AFR 5. Implementation Report on asset module.
COAF 31	29	PPE	Some assets in the asset registers had negative closing balances	ISS.91	PPE: CAATS- Opening Balance negative balances in the cost and/or accumulated depreciation	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of management oversight and lack of proper reviews.	Lack of review of usefullives and disclosure .	<ul style="list-style-type: none"> <li>• Management should ensure that proper processing of transactions in the annual financial and accompanying schedules are performed and proper reconciliations and reviews are conducted to ensure accuracy.</li> <li>• Management should ensure that it keeps proper records to support information reported in the financial statements.</li> </ul>	1. Proper review useful lives of assets . 2. Determine the formula to use for each class of asset. 3. Update asset register accorindg to applicabe standards.	1. Report on review of usefullives 2. Disclosure on assets have usefules reviewd. 3 Updated asset rgeister



COAF 31	30	PPE	Some Assets were listed more than once on the asset register	ISS.92	Opening Balance - Duplicate assets	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of proper reviews.	Lack of thorough reviews of movable asset register.	<ul style="list-style-type: none"> <li>• Management should ensure that proper processing of transactions in the annual financial and accompanying schedules are performed and proper reconciliations and reviews are conducted to ensure accuracy.</li> <li>• Management should ensure that it keeps proper records to support information reported in the financial statements.</li> </ul>	1. Conduct Physical verification and review asset register. 2. Update asset register. 3. Fully implementation of Asset Module.	1. Verification & Review Report. 2. Updated AFS 3. Implementation Report
COAF 31	31	PPE	Opening balances of some assets had changed and did not agree with the prior year closing balances.	ISS.95	Opening Balance - Increases :Cost and Accumulated depreciation in PY closing balance which increased in CY opening balances	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of management oversight and proper reviews.	Lack of proper review of closing balance and opening balance.	<ul style="list-style-type: none"> <li>• Management should ensure that proper processing of transactions in the annual financial and accompanying schedules are performed and proper reconciliations and reviews are conducted to ensure accuracy.</li> <li>• Management should ensure that it keeps proper records to support information reported in the financial statements.</li> </ul>	1. Proper review of Closing and Opening balances on time. 2. Continously workshop on MSCOA version. 3 . Improve review of Annual financial statement in the caseware against the Trial Balance and Asset Register. 4.Early submission of correct PPE note to AFS section.	1.Report on prior year closing and current year opening balance 2. Attendance register for MSCOA workshop 2.Approved reviewed PPE note by CFO. 2. Signed reviewed AFS by CFO

COAF 31	32	PPE	Opening balances of some assets had changed and did not agree with the prior year closing balances.	ISS.96	PPE: CAATS-Opening Balance - cost and accumulated depreciation in PY closing balance which decreased in CY Opening Balance	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of management oversight and proper reviews	Lack of proper review of closing balance and opening balance.	<ul style="list-style-type: none"> <li>• Management should ensure that proper processing of transactions in the annual financial and accompanying schedules are performed and proper reconciliations and reviews are conducted to ensure accuracy.</li> <li>• Management should ensure that it keeps proper records to support information reported in the financial statements.</li> </ul>	1. Proper review of Closing and Opening balances on time. 2. Continuously workshop on MSCOA version. 3. Improve review of Annual financial statement in the caseware against the Trial Balance and Asset Register. 4. Early submission of correct PPE note to AFS section.	1. Report on prior year closing and current year opening balance 2. Attendance register for MSCOA workshop 2. Approved reviewed PPE note by CFO. 2. Signed reviewed AFS by CFO
COAF 58	33	PPE	During 2018/19 physical verification of movable assets, auditors could not confirm whether the assets exist.	ISS.154	PPE-Opening Movable assets - Existence	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	This was due to lack of management oversight	Lack of thorough verification of assets	Management should ensure that it maintains a proper asset management system.	1. Develop SOP on verification of assets. 2. Conduct physical verification.	1. Approved SOP for verification. 2. Verification Report.
COAF 94	34	PPE	Disposals were not authorized by the Council	ISS.170	PPE Movable assets: Disposal incorrect disposal amount	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support	This was due to lack of management oversight	No clear guidance on lost of asset in the Asset Management Policy.	Management should ensure that it maintains a proper asset management system.	1. Review Asset Management Policy to address the treatment of lost assets. 2. Review disposal list and correct the amount on disposed asset.	1. Approved reviewed policy 2. Approved Asset Disposal list

							financial and performance reporting					
COAF59	35	Prior year misstatements	PPE restatement not supported by valid documents. Management has failed to provide sufficient appropriate evidence for the restatement of WIP to enable the audit of the amount as per note 43 Prior year period: Error 2 of the 2018/19 Financial Statements.	ISS.167	No sufficient appropriate evidence to support PPE restatements	Yes	No adequate controls over daily and monthly processing and reconciling of transactions.	Lack of management oversight and proper review	Poor record keeping	Management should reverse the restatement if it not able to provide sufficient supporting information. Consultant costs were incorrectly allocated	Investigate the prior error and engage AG during planning	Investigation report and Engagement minutes
COAF 84	36	Receivables from exchange transactions	Prior year uncorrected misstatement, as well as current year misstatement	ISS.199&200	Sufficient appropriate audit evidence was not available to support receivables and revenue from exchange transactions	Yes	Lack of complete, relevant and accurate information is accessible and available to support financial and performance reporting	Prior year misstatements were not corrected	Incorrect property data in the billing system.	Management should correct prior period misstatements on time before audit commences to avoid repeat qualifications	1. Reconcile SG database, valuation roll , deeds and billing data 2.Update the billing system. 3.Correction of prior error, compile the supporting documents supporting the journals	1.Reconciliation Report. 2. Updated billing report 3.Correction Report and audit file
COAF 69	37	Retentions	Amount in payment certificate different to Municipal accounting records	ISS.166	Retention amounts per payment certificate were different to Municipal accounting records	NO	Lack of daily and monthly controls over reconciliations	This is due to the municipality not ensuring that they have used the correct formula in each cell and cross-	Lack of reconciliation between retention certificate and schedule.	Management should always double check the formulae that they use for each cell. When the amount they get is different to that of the contractor's	1.Review and reconciled of amounts submitted by the contractors. 2. All retention calculated should be approved by PMU Manager.	1. Reviewed report on retention. 2. Signed Retention Register.

								reference the amount to the relevant payment certificate.		retention amount, they should follow up on these in order to resolve any differences they arrive at.		
COAF 52	38	Retentions	Inaccurate retentions	ISS.129	Retentions incorrectly calculated in payment certificate	NO	Responsible municipal official did not verify accuracy of the retention amounts calculated by the contractors.	Municipality not checking the accuracy of the amounts that were calculated by the contractors	Lack of monitoring of retention calculation.	Management should re-perform the calculation made by the supplier based on the contract rates and value of work done before accepting them in order to get to the accurate retention amount that is supposed to be retained.	1. Review the retention register with the contract documents. 2. Reconciliation payment certificate with contract documents provide and support the changes in retention.	1. Reviewed Retention Register 2. Reconciliation Report
COAF 61	39	Revenue from exchange transactions	Not all customers were billed in the current year	ISS.177	Not all customers were billed in the current year	Yes	Lack of controls over daily and monthly processing and reconciling of transactions.	The municipality does not perform actual readings for water consumption in order to bill customers	Incorrect property data in the billing system.	Management should ensure that all properties that are supposed to be billed by the Municipality are billed to make sure that Municipality is generating the revenue it is supposed to generate.	1. Reconcile SG database, valuation roll, deeds and billing data 2. Update the billing system. 3. Correction of prior error, compile the supporting documents supporting the journals	1. Reconciliation Report. 2. Updated billing report 3. Correction Report and audit file
COAF 61	40	Revenue from exchange transactions	Debtors with overdue accounts not charged interest	ISS.174	Interest charged does not agree to the recalculated amount	Yes	Lack of controls over daily and monthly processing and reconciling of transactions.	Management does not continuously review the debtor's accounts to ensure that interest is charged on a monthly basis where there is a balance overdue	Lack of monitoring	Management should ensure that interest is charged on a monthly basis on all overdue accounts as indicated in the municipalities control policy	1. Develop Billing Checklist 2. Provide to Auditor General the support of interest charge to consumers.	1. Approved Billing Checklist. 2. Journal correcting interest not charge.

COAF 49	41	Revenue from exchange transactions	Revenue billings inaccurate and some not based on actual readings	ISS.131	Differences were identified when recalculating the estimated billing used for customers. AG could not determine the basis of management calculation to be able to reperform it. Some customers were charged fixed estimated units for consumption	Yes	Lack of proper record keeping to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	Information collected by the Municipality on the data cleansing which started in November 2018 have not yet been updated to the financials. Has management considered whether or not it is financially viable to install or read meters in certain areas hence some meters are not read	Shortage of meter readers.	Management should ensure that customers' meters are read frequently and should not rely only on charging estimated readings especially for long periods of time. Estimates are only used to temporarily determine consumption, this should not be the norm for the municipality.	1. Recommend to Corporate Service to appoint contract meter readers. 2. Convert meters that cannot be read ( eg. Faulty meters) to fixed tariff.	1. Memo to Corporate Services requesting contract meter readers 2. Conversion Reports
COAF 65	42	Revenue from exchange transactions	Service charges not calculated accurately	ISS.132	Revenue was charged using incorrect tariffs	Yes	Lack of proper record keeping to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	Accounts were not calculated based on the approved tariff structure.	Incorrect customer database	It is recommended that the approved tariff structure be applied correctly when billing customers. Management should ensure that each statement generated for customers should be reviewed before sending them out	1. To verify and correct the debtor types and tariff in the system. 2. Engage Auditor General on the fixed tariff charge as per the municipality policy	1. Verification Report. 2.. Attendance register and Engagement minutes
COAF 45	43	Trade Payables	Overstatement of accruals	ISS.87	Accrual listing included incorrect journals	NO	Lack of review of journal entries and reconciliations by management	Lack of controls over the maintenance of financial statements	Failure to confirm the details of the invoice ( date on the invoice was for	Review of calculations done by employees should always be conducted so as to avoid errors in calculations that	1. To improve communication to service provider will be done in explaining the invoices. 2.Review and update mid year	1. Attendance register & minutes. 2. Review reports

									the next financial year 19/20 however the work was for the past financial year 18/19)	are to be posted to financial statements	and year end procedures.	
COAF 41	44	VAT	During testing Expenditure: Departmental Electricity some items were found to be recorded on the expenditure General Ledger account inclusive of VAT.	ISS.76	Disagreement instances were not noted where expenditure from contracted services was recorded inclusive of VAT	NO	Lack of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	There is lack of monitoring and reviewing of transactions entered into the system in order to ensure that they are accurate as per the supplier's invoice.	Lack of thorough review of invoices	Management should review all transactions that are recorded into the system are accurate and ensure that expenditure is recorded in the GL excluding vat and VAT is recorded separately in the VAT control account	1.Review of relevant expenditure and other transaction against the invoices to ensure that VAT is correctly excluded. 2.Process journal entries to correct the misstatement. 3. Reconciliation of VAT & expenditure accounts	1. Correcting journals, 2, Vat recons
COAF 41	45	VAT	Some items (assets) were incorrectly classified as repairs and maintenance:	ISS.76	Disagreement: Instances were identified where expenditure was recognised as repairs and maintenance instead of being capitalised.	NO	Lack of controls over daily and monthly processing and reconciling of transactions	The cause of this is due to a lack of controls over the recording and maintenance of financial records.	Lack of regular review of repairs and maintenance	Management should ensure that there are proper controls over the recording and maintenance of financial records. These should also be independently reviewed by senior official to ensure that they are properly classified.	1.Monthly reviews of repairs and maintenance account to identify assets that have been expensed. 2. Prepare Correcting journals 3. Update Asset Register were applicable	1.Correcting journals. 2 Review report 3. Updated Asset Register
COAF 29	46	PPE	Infrastructure assets selected from the GIS System report could not be traced back to the Fixed	ISS 104	Amount recorded on the AFS does not agree to the statement of account received from SARS	NO	Lack of controls over daily and monthly processing and reconciling of transactions	Reconciliations between the statement of account and the GL not performed on a regular	1.Lack of reconciliation between GIS system and FAR. 2. Non	Management should ensure that the VAT amount on the general ledger is reconciled to the VAT amount on the	1.Reconciliation and align asset register and GIS. 2. To investigate and benchmark with other similar municipalities. 3. Ensure	1.Reconciliation Report 2. Report on investigation and benchmarking. 3. Report on GPS co-

			Asset register of the entity.					basis.	availability of asset system that locate and identify.	statement of account regularly to ensure that errors are identified and corrected timeously.	completeness of GPS co-ordinates on all our assets. 4. Conduct Physical verification of assets and update asset register	ordinates 4 Physical verification report and updated FAR.
COAF77	47	Water Distribution losses	Water losses- limitation of scope	ISS.147	Audit evidence supporting the amounts disclosed on the AFS was not submitted by the Municipality. Balance from previous year decreased substantially with no evidence provided.	Yes	The Municipality did not apply the requirements of GRAP 1.	This was caused by the municipality not maintaining appropriate and reliable audit evidence to substantiate the water distribution losses disclosed in the financial statements. Non compliance with Grap 1.	1. Non implementation of water conservation of water plan	It is recommended that the entity develops an accounting policy for the water distribution losses disclosure to ensure that the disclosure is consistent every financial period.	1. Develop SOP for disclosure of distribution and water losses. 2. Appoint the service provider for a period of 3 years to ensure that the Water Balancing project is implemented. 3. Implementation of water conservation of water plan.	1. Approved SOP 2. Appointment letter 3. Report on implementation of water conservation of water plan.
COAF 45	48	Trade Payables: Existence	Items have been incorrectly included as Trade Payables closing balance in the current financial year	ISS.87	Items have been incorrectly included as Trade Payables closing balance in the current financial year	NO	Financial and performance management: Implement controls over daily and monthly processing and reconciling of transactions.	The cause of this is due to a lack of controls over the maintenance of financial statements.	Lack of thorough reviews of invoice and journal supporting documents	It is recommended that when preparing financial statements or listings, these be clearly cross-referenced to the relevant supporting documentation looking at every relevant detail carefully before entering it on the system e.g. so that an accrual relating to 19/20 is not included in the 18/19 accrual	1. Review and update mid year and year end procedures.	Reviewed Accrual Listing

										listing the municipality should always keep source documentation in order to support the amounts entered in the financial statements		
COAF 91	49	Cash & Cash Equivalents	Cash and Bank: Un-reconciling difference in bank reconciliation and Uncashed ACBs not yet paid	ISS.212	Cash and Bank: Un-reconciling difference in bank reconciliation and Uncashed ACBs not yet paid	NO	The above findings are caused by management not following up on amounts paid but have not yet reflected.	The above findings are caused by management not following up on amounts paid but have not yet reflected.	Lack of thorough reviews of monthly bank reconciliation.	Management should always do follow-ups on un-reconciling items such as uncashed ACBs so that payments to 3rd parties that are delayed are identified and investigated timeously and cleared from the list of ACB's.	1. Investigation of errors in the bank reconciliation and clearing of previous month unreconciled differences. 2. Training for Bank Rec Section. 3. Review and monitoring of monthly and year end bank reconciliation	1. Investigation Report on errors and clearing of unreconciled 2. Attendance Register for training. 3. Signed Approved Month and year end Bank Recon.
COAF 32	50	Revenue from exchange transactions	Billing report does not agree to the general ledger	ISS.98	Billing report does not agree to the general ledger	YES	This was due to lack of management oversight and proper reviews.	This was due to lack of management oversight and proper reviews.	1. Incorrect opening balances in the GL. 2. Timing issue on the billing	Management should implement controls to ensure that reconciliation between the billing report and the general ledger is done frequently.	1. Reconciliation of Billing report with the general ledger. 2. Document list of unreconciled item and do follow up in the next billing cycle.	1. Billing Recon 2. Follow up reports
COAF30, 64, 86,93 & 96	51	Basic services and delivery and infrastructure development	Reliability - Disagreement in the APR actual achievement and the POE actual achievement	N/A	The actual achievement as per the portfolio of evidence did not agree to the actual achievement reported in the 2018/19 APR	Yes	"This is because of lack of oversight and review of performance information by management "	"This is because of lack of oversight and review of performance information by management "	"1. Disregard of internal controls to address same issues on a quarterly basis 2. Lack of corporate	Management should ensure that performance information is monitored on a quarterly basis by performing reconciliations between the source documents and	"1. Monitoring of performance on monthly basis through engagements with user departments 2. Coaching and mentoring PMS champions on reporting on a	"1 & 2. Attendance register and Report "



									n on implement ation of SOP's  "	the quarterly reports to ensure accuracy of the information reported in the APR	monthly basis "	
COAF37 & 42	52	Basic services and delivery and infrastruct ure developm ent	Usefullnes s - Reported actual targets achieved disclosed in the APR are not consistent with the planned targets.	N/A	The actual achievement reported in the 2018/19 APR could not be compared to the planned targets because they are not recorded consistently:	Yes	Lack of oversight and review of performance information by management.	Lack of oversight and review of performance information by management.	"1.Inconsi stency in terms of wording in reporting (Incomplet e actual performan ce reported) 2. Human error"	Management should ensure that performance information is clearly documented to ensure accuracy of the information reported	"1. Monitoring of performance on monthly basis to address reporting challenges  2. Enhancement and strengthening of Oversight reviews by user departments"	"1. Attendance register and and Report  2. Correspondenc e confirming engagements between PMS and user departments "

<b>Accessibility indicators</b>	<b>Explore whether the intended beneficiaries are able to access services or outputs.</b>
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.

<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

## APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	%	%
CLLR. M.C. KOYO	94%	6%
CLLR. W. GELA	78%	22%
CLLR. K. VIMBAYO	93%	7%
CLLR. N. SEPTEMBER-CABA	89%	11%
CLLR. B. VAN HEERDEN	88%	12%
CLLR. S. MBOTSHANE	94%	6%
CLLR. M. JACK	78%	22%
Cllr N. F. Koni	62%	38%
CLLR. N. MATIWANE	72%	28 %
CLLR. N. C. GONIWE	67%	33%
CLLR. E.G. BOMELA	50%	50%
CLLR. M. ADONISI	56%	44%
CLLR. S.B. NXAWE	78%	22%
CLLR. T. BIKWANA	83%	17%
CLLR. M.C. KOYO	94%	6%
CLLR. K. VIMBAYO	93%	7%
CLLR. B. VAN HEERDEN	88%	12%
CLLR. S. MBOTSHANE	94%	6%
CLLR. N. SEPTEMBER-CABA	89%	11%

Council Members	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	%	%
CLLR. N. C. GONIWE	67%	33%
CLLR. E.G. BOMELA	50%	50%
CLLR. M. ADONISI	56%	44%
CLLR. S.B. NXAWE	78%	22%
CLLR. T. BIKWANA	83%	17%
CLLR. M.C. KOYO	94%	6%
CLLR. K. VIMBAYO	93%	7%
CLLR. B. VAN HEERDEN	88%	12%
CLLR. S. MBOTSHANE	94%	6%
CLLR. N. SEPTEMBER-CABA	89%	11%
CLLR. M. JACK	78%	22%
Cllr N. F. Koni	62%	38%
CLLR. N. MATIWANE	72%	28 %
CLLR. W. GELA	78%	22%
CLLR. N. C. GONIWE	67%	33%
CLLR. E.G. BOMELA	50%	50%
CLLR. M. ADONISI	56%	44%
CLLR. S.B. NXAWE	78%	22%
CLLR. T. BIKWANA	83%	17%
CLLR. Z. DELIWE	56%	44%
CLLR. R. VENSKE	89%	11%
CLLR. S. ZANGQA	65%	35%
CLLR. L. GUNUZA-KWENTSHA	50%	50%

Council Members	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	%	%
CLLR. M. XHELISILO	67%	33%
CLLR. S. N. G. TOLASHE	29%	71%
CLLR. A. N. HENDRICKS	61%	39%
CLLR. L. E. GUBULA	83%	17%
CLLR. S.E. MVANA	100%	0%
CLLR. Z.N.E. RALANE	89%	11%
CLLR. X. P. XELO	0%	100%
CLLR. N. A. DAYISI	61%	39%
CLLR. L. N. TYALI	61%	39%
CLLR. M. KONDILE	72%	28%
CLLR. K. BIZANA	67%	33%
CLLR. K. MJEZU	72%	28%
CLLR. N. MTYOBILE	78%	22%
CLLR. N. NYUKWANA	24%	76%
CLLR. N.C. LALI	56%	44%
CLLR. S. TAME	78%	22%
CLLR. S. MYATAZA	72%	28%
CLLR. Z. QAYIYA	67%	33%
CLLR N. NKOTA	67%	33%
CLLR. J. CENGANI	56%	44%
CLLR. Z. R. SHWENI	67%	33%
CLLR. M. DESHA	44%	66%
CLLR. S. A. NXOZI	78%	22%
CLLR. B. NTSERE	39%	61%
CLLR Z. N. NJOLI	56%	44%

Council Members	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	%	%
CLLR M. PAPIYANA	94%	6%
CLLR. N. S. NDLEBE	100%	0%
	T A	

#### APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees		
Municipal Committees	Purpose of Committee	
Municipal Public Accounts Committee	Oversight of municipal accounts	
Rules and Ethics Committee	To establish rules for Council and Committees	
Audit Committee	Oversight of financial reporting and disclosures	
Women's Caucus	The voice of women to advocate for gender equality and equity and seeks to ensure women representation in strategic position to achieve 50/50	
Performance Audit committee	Oversees performance of the municipality in achieving the KPAs	
Fraud and Risk committee	Prevention and mitigation of risk	
Whippery	Oversees political party council relations and cooperation	

#### APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Strategic Manager	Mr B Mthembu
Engineering Services	Vacant
Health and Community Services	Ms Y Sinyanya
Chief Financial Officer	Ms N Fetsha
Corporate Services	Ms Y Dakuse
IPED	Dr. Z. Shasha
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).	
	T C

**APPENDIX D – FUNCTION OF MUNICIPAL ENTITY**

Refer to Annexure A – The Annual Report of Chris Hani Dvelopment Agency is attached to this report.



## APPENDIX G – AUDIT COMMITTEE REPORT

### CHRIS HANI DISTRICT MUNICIPALITY – AUDIT COMMITTEE CHAIRPERSON'S REPORT

#### FOR THE YEAR ENDED 30 JUNE 2019

Chris Hani District Municipality maintained a system of two oversight Committees, namely Performance and Audit committee which is referred to as Audit Committee. These constituted in terms of section 166(2) and 166(6) (b) of the Local Government Municipal Finance Management Act, 56 of 2003. As mandated, the committees performed their oversight function activities guided by an approved Audit Committee Charter.

Evidence based approach on review of financial and non-financial reports was adopted and used as basis of assurance on advisory services to Council, Accounting Officer and Management. Advisory services were on matters relating to Internal Audit function, effectiveness of the systems of Internal Controls, Risk management processes and Performance Management Systems.

The committee comprised of the following members with varying professional and competent skills to perform oversight functions:

	<b>Skills and Experience</b>	<b>Designation</b>	<b>Sittings and Events Attended</b>
<b>Mbawuli, ZJ</b>	Bcom (Honours) Sits on various audit and risk committees 38 years professional experience	*Chairperson Audit Committee	8
<b>Langa, AM</b>	Masters (Public Admin), Bcom (Municipal Accounting) Sits on various audit and risk committees 36 years professional experience	*Chairperson Performance Audit Committee	8
<b>Galada, L</b>	CIA, Btech (Internal Auditing) Sits on various audit and risk committees 27 years professional experience	Member	8
<b>Plaatjes, AW</b>	Phd (Commerce), MBA Sits on various governance structures in education and local government 25 years professional experience	Member	7
<b>Kretzmann A</b>	Bachelor of Accounting Science (Honours), Bachelor of Commerce Accounting ) Sits on various governance structures in education and local government 8 years professional experience	Member	3

#### EVALUATION OF FINANCIAL AND PERFORMANCE REPORTS

The committee convened on a quarterly basis and special audit committee meetings were arranged to evaluate reports on financial and non-financial information, compliance issues with Supply Chain Management (SCM) policies, budget performance trends, progress reports on risk management and fraud, ICT Governance, mSCOA implementation and Audit Improvement Plan. Oversight reports were presented to Council regularly with clear recommendations to address internal control deficiencies identified through Internal and External audit findings.

In the financial year under review, CHDM operated without the services of a permanent Municipal Manager and the Chief Financial Officer (suspended for three months), impacting negatively on the oversight committee function activities and reporting to Council. Lack of quality control reviews on management accounts and quality assurance by Management on reports presented for audit committee purposes resulted in more special audit committee meetings scheduled to ensure accurate reporting to Council on financial and non-financial performance reports.

In the process of reviewing quarterly reports on section 52(d) and Supply Chain Managements, the committee identified problems in completeness and accuracy in reporting due to lack and proper functioning of internal control systems within the Budget and Treasury Office. Supply Chain Management unit was identified as central to problems experienced by the Institution. Non-implementation of critical modules on mSCOA roll out in the financial management system of the CHDM, created problems on integrated reporting processes up until external audit processes kicked in.

The institution's own revenue collection system strategies employed in the form of data cleansing project couldn't provide/yielded expected results and improve on debt collection rate hence budgeting for a deficit.

During the year under review the Committee reviewed the Municipality's Performance Management framework as required by legislation and such review included the amendment of the policy to include amongst others the cascading of performance management to lower levels of staff. The Committee monitored the implementation of the system as a pilot project. Performance assessments for senior managers were conducted during the year under review.

In an effort to contribute towards an improved audit outcome the Committee also at all its quarterly meetings considered a report on the implementation of the audit action plan on performance management related findings by the Office of the Auditor General. It was observed that implementation was not satisfactory during the year.

Internal Audit continues to be a vital element of quality assurance in the performance management environment by giving the Committee reports on performance information submitted. The Committee observed that submission of quality information supported by portfolio of evidence remained a challenge during the financial year.

## **RISK MANAGEMENT**

Effective risk management forms an integral part in the achievement of institutional objectives and as such it provides basis for integrated risk management and internal controls as components of good corporate governance. CHDM maintained a separate risk management committee chaired by an external member of the committee with a standing invitation to all audit committee meetings.

The committee reviewed Municipality's policies on risk management, information technology and considered reports provided by management, internal assurance providers and the Auditor General in compliance with legal prescripts. Incidents of fraudulent activities reported are handled through security structures within the police services structures. The institution maintained a whistle blowing system which

was instrumental in identifying current issues of fraudulent activities reported and handled with the South African Police Services.

## **EFFECTIVENESS OF INTERNAL CONTROLS**

The committee provided oversight on the financial reporting processes and existing internal control systems within the institution and concluded that CHDM maintains a system of internal controls designed to provide reasonable assurance that transactions are processed and concluded with management's authority; assets are safeguarded against unauthorized use or disposal with proper recording and authorization of transactions. However, in the year of reporting control weaknesses identified through internal and external audit reports findings were of structural and non-existence of a fully integrated financial management systems after mSCOA roll out to facilitate and strengthen reporting mechanization processes up to council levels.

Audit Committee reviews conducted quarterly indicated instances where effectiveness of internal controls were compromised with repeated and new audit findings on internal control system identified constantly and reported to council. The audit committee takes cognizance of the fact that there are inherent limitations in the effectiveness of any system of internal controls attributable to human errors and circumvention of internal controls

Remedial actions were proposed to address control deficiencies that were identified by the Committee, Auditor General however the plan was not fully implemented to address root causes on each audit finding raised. Based on our quarterly reviews on internal and external audit, the assessment of internal control environment revealed a number of internal control weaknesses which resulted in CHDM getting disclaimer audit opinion in 2018/19 financial year. Failure to execute and clear all prior year audit findings by the Auditor General is attributed to this regression in the audit opinion.

## **INTERNAL AUDIT**

CHDM Internal Audit unit adopted a risk-based audit approach in the execution of its risk-based audits for 2018/19 guided by an approved Internal Audit Charter and a three year rolling plan approved by the audit committee. The Internal Audit Unit fully executed their operational risk based plan for 2018/19 FY whilst experiencing challenges of inadequate responses provided by management on audit findings. In an attempt to ensure that all internal audit findings and recommendations are implemented the Audit Committee established a tracking tool for internal audit findings, unfortunately during the year under review recommendations by the Internal Audit were not fully implemented.

Internal Audit assignments completed and reviewed by the audit committee based on the Risk Based Internal Audit Plan for 2018/19 were:

- ▣ Quarterly reviews on performance information
- ▣ Quarterly reviews on Implementation of SCM policy
- ▣ Quarterly reviews on HR activities
- ▣ Annual Financial Statements reviews
- ▣ Ad-hoc audits on Irregular Expenditures
- ▣ Stores Management Audit
- ▣ Operations & Maintenance Audit
- ▣ SMME Management Audit

- ▯ Risk Management Audit
- ▯ Loss Control Audit
- ▯ Expenditure Management Audit
- ▯ AG's Follow Up Audit Report
- ▯ Dashboard Review
- ▯ Contracts Management Audit

## **EVALUATION OF FINANCIAL STATEMENTS**

The process of reviewing annual financial statements for 2018/19 by the audit committee and internal audit unit were constrained by inadequate implementation of the audit action plan for 2017/18 where certain prior year audit findings were still deferred for resolution in the next financial year audits with internal audit reviews conducted not based on properly referenced audit file for 2018/19.

## **EXTERNAL AUDIT**

The Auditor General executed 2018/19 audit based on the audit strategy presented and agreed with management and audit committee prior to the commencement of the audit. Valid inputs and advisory services to management during the execution of the audit processes were provided whilst limited by prior year unresolved issues with the Auditor General. New audit qualification issues were raised in audit steering committee meeting and remained critical matters to ensure improvement in audit opinion hence regression on the Auditor General's audit opinion to a disclaimer in 2018/19 financial year.

Report provided by:

**Mr J Z Mbawuli**

**Audit Committee Chairperson**



**APPENDIX I – MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE**

#	DESCRIPTION	Project code	ASSET CATEGORY	Initial Contract Value (as per contract agreement)	Start date	Status
1	<u>Cluster 4 Water Supply Scheme Upper Indwana</u>	<u>01/2015/MD(BL)</u>	INFRASTRUCTURE	8,215,719.88	30-Sep-15	Not yet Completed
2	Clucter 7 Water Backlog: Didi-B & Ngxabane-B	01/2016/MD(TN)	INFRASTRUCTURE	6,534,732.29	8-Aug-16	Not yet Completed
3	COFIMVABA EU SANITATION - PHASE 3 (WARD 1, 2 & 5)	02/2016/MD(TN)	INFRASTRUCTURE	13,732,582.77	14-Sep-16	Not yet Completed
4	CLUSTER 4 WATER SUPPLY BACKLOG ERADICATION: UPPER MNXE PHASE 2 INTERIM WATER SUPPLY	02/2018/MD(BL)	INFRASTRUCTURE	8,913,434.52	10-Jul-18	Not yet Completed
5	CLUSTER 8 WATER BACKLOG, RETENDER FOR LUNDA VILLAGE RETICULATION	03/2015/(MD) TN	INFRASTRUCTURE	3,430,898.58	22-Mar-18	Not yet Completed
6	CLUSTER 4 WATER SUPPLY ERADICATION PROJECT: MTHINGWEVU SCHEME	03/2016/MD(BL)	INFRASTRUCTURE	30,390,788.43	21-Dec-17	Not yet Completed
7	CLUSTER 4 WATER SUPPLY BACKLOG NCORA SCHEME: BULK SUPPLY AND RETICULATION FOR GASINI B (VUYISILE MINI)	03/2018/MD (TN)	INFRASTRUCTURE	17,878,287.09	26-Jun-18	Not yet Completed
8	CLUSTER 4 WATER SUPPLY BACKLOG ERADICATION: UPPER INDWANA PHASE 2 INTERIM WATER SUPPLY	05/2018/MD(BN)	INFRASTRUCTURE	9,539,741.48	21-Sep-18	Not yet Completed
9	CONSTRUCTION OF THE NEW MOLTENO MAIN PUMP STATION, SEWER RISING MAIN AND INTERCEPTOR SEWERS	06/2015/MD(MS)	INFRASTRUCTURE	20,097,948.11	23-Sep-16	Not yet Completed
10	CLUSTER 6 PROJECT: CONSTRUCTION OF HLOPEKAZI AND KUMBEKE BULK INFRASTRUCTURE	06/2018/MD (TN)	INFRASTRUCTURE	20,995,075.62	27-Nov-18	Not yet Completed
11	ENGCOBO NEW 2MI / DAY WASTE WATER TREATMENT WORKS PHASE ONE AND OUTFALL SEWER.	07/2018-2019/MD(TN)	INFRASTRUCTURE	91,021,376.40	5-Mar-19	Not yet Completed

12	Cluster 8 Water Backlog: Emqonci Village Reticulation	08/2017/MD(TN)	INFRASTRUCTURE	3,873,501.30	22-Mar-18	Not yet Completed
13	CLUSTER 4 WATER SUPPLY BACKLOG ERADICATION: KWAMZOLA AND MATAFENI - B WATER SUPPLY	08/2018/MD(TN)	INFRASTRUCTURE	33,941,848.54	21-Sep-18	Not yet Completed
14	CLUSTER 4 WATER SSUPPLY BACKLOG LUBISI SCHEME: SUPPLY,DELIVERY AND STORAGEOF COATED	09/2018/MD (BN)	INFRASTRUCTURE	26,348,144.59	26-Jun-18	Not yet Completed
15	CLUSTER 4 WATER SUPPLY BACKLOG NORTHERN SCHEME: PRIMARY MAINS AND 1.8ML RESERVOIR FROM SIKUNGWINI TO LADY FRERE AND UPPER NDONGA	10/2018/MD (BN)	INFRASTRUCTURE	61,220,548.72	26-Jun-18	Not yet Completed
16	CLUSTER 5 WATER SUPPLY BACKLOG PROJECT : WATER SUPPLY TO LALINI AND NKWENKWEZI VILLAGES	12/2018-2019/MD(AM)	INFRASTRUCTURE	16,790,566.95	29-May-19	Not yet Completed
17	CLUSTER 4 WATER SUPPLY BACKLOG ERADICATION: UPPER LUFUTA EXT.2 (MBODLANA) INTERIM SCHEME	13/2016/MD(BL)	INFRASTRUCTURE	5,771,232.30	8-Feb-17	Not yet Completed
18	CLUSTER 6: WATER BACKLOG PROJECT: GUBENXA VILLAGE RETICULATION WATER SUPPLY SCHEME	13/2018/MD (TN)	INFRASTRUCTURE	27,478,830.71	27-Nov-18	Not yet Completed
19	CLUSTER 4 WATER SUPPLY BACKLOG ERADICATION: UPPER LUFUTA INTERIM WATER SUPPLY SCHEME	14/2016/MD(BL)	INFRASTRUCTURE	8,964,746.44	14-Sep-19	Not yet Completed
20	WATER SUPPLY BACKLOG IN CHDM- CLUSTER 1 :CONSTRUCTION OF BULK WATER SUPPLY : MHLANGA AND MGWALANE	15/2018-2019 /MD (BN)	INFRASTRUCTURE	76,664,567.55	29-May-19	Not yet Completed
21	CLUSTER 1: MHLANGA WATER SUPPLY	16/2015/MD(BL)	INFRASTRUCTURE	32,951,635.05	15-Jan-18	Not yet Completed
22	HEWU RA60 REGIONAL BULK WATER SUPPLY SCHEME:TENDER DOCUMENT FOR PHASE 7 - EXTENSION PIPELINE MABELENI,DYAMALA & EMTHA	17/2018/MD (AM)	INFRASTRUCTURE	11,954,636.46	29-May-19	Not yet Completed
23	CLUSTER 2 WATER BACKLOG PROJECT : REGIONAL SCHEME 3:PHASE 1A	18/2011/MD(LM)	INFRASTRUCTURE	22,870,288.00	13-Dec-11	Not yet Completed

24	CLUSTER 1 : ZINGQUTHU WATER SUPPLY	18/2014/MD(AM)	INFRASTRUCTURE	12,066,998.30	13-Aug-15	Not yet Completed
25	WATER SUPPLY BACKLOG IN CHDM- CLUSTER 1 : ZINGQUTHU WATER SUPPLY PHASE 3: NDUMANGENI SECONDARY MAINS AND RETICULATION	19/2018-2019/MD (AM)	INFRASTRUCTURE	7,846,736.93	29-May-19	Not yet Completed
26	UPGRADING OF MOLTEÑO OXIDATION PONDS REHABILITATION REHABILITATION OF EXISTING PRIMARY PONDS AND IMPROVEMENTS TO SECURITY FEATURES	21/2018/MD (AM)	INFRASTRUCTURE	5,190,075.82	6-Mar-19	Not yet Completed
27	CONSTRUCTION OF CHRIS HANI DISTRICT MUNICIPALITY 427 EMERGENCY HOUSES FOR SAKHISIZWE LM	18A - G 2016 BM(NM)	OTHER	14,208,000.00	2-Mar-18	On hold
28	CLUSTER 6 WATER BACKLOG - SITHOLENI TREATMENT WORKS AND RISING MAIN	21/2015/MD(TN)	INFRASTRUCTURE	99,066,851.00	19-Oct-15	Not yet Completed
29	CLUSTER 2 WATER BACKLOG - NKOLONGA AND SIKHWANQENI WATER SUPPLY SCHEME: REGIONAL SCHEME 1 PHASE 1A	25/2015/MD(BL)	INFRASTRUCTURE	27,425,745.86	18-Nov-15	Not yet Completed
30	ELIMINATION OF RURAL SANITATION BACKLOG IN CHDM: REGION 1 ENGCOBO	28/2010/MD(TS)	COMMUNITY	148,724,685.00	24-Feb-11	Not yet Completed
31	ELIMINATION RURAL SANITATION BACKLOG IN CHDM: REGION 2 INTSIKA YETHU	29/2010/MD(TS)	COMMUNITY	156,055,170.00	24-Feb-11	Not yet Completed
32	UPGRADE OF TSOMO WASTE WATER TREATMENT WORKS: CIVIL MECHANICAL AND INSTRUMENTATION WORK	29/2016/MD (TN)	INFRASTRUCTURE	86,055,521.51	13-Dec-17	Not yet Completed
33	HOFMEYER UPGRADE OF WATER AND BULK SEWER SERVICES IN ELUXOLWENI	30/2016/ (MD)AM	INFRASTRUCTURE	11,855,720.59	22-Mar-18	Not yet Completed
34	Tsomo river abstraction and Water Treatment Works Construction	33/2015 MD (TN)	INFRASTRUCTURE	195,896,966.60	21-Dec-17	Not yet Completed



35	CLUSTER 6 WATER BACKLOG - DULATI, NTSINGA AND NQANCULE VILLAGES RETICULATION SCHEME	35/2014/MD (TN)	INFRASTRUCTURE	33,088,116.00	7-Dec-15	Not yet Completed
36	CLUSTER WATER BACKLOG RS2-PHASE 1: ESIQIKINI,DLAKAVU,MKHONJANA,EQINENI, ESIGXENI, ESOGXENI WATER SUPPLY	35/2016/MD (TN)	INFRASTRUCTURE	44,120,423.80	8-Mar-18	Not yet Completed
37	CLUSTER 2 WATER BACKLOG: RS1 PHASE 2C: JIPHUTHA MAKHIKHI WATER SUPPLY SCHEME	36/2016/MD(BL)	INFRASTRUCTURE	19,322,203.37	1-Mar-17	Not yet Completed
38	Backlog Cluster 6 Lokshini Water Supply Scheme- Phase 1	38/2015/MD(TN)	INFRASTRUCTURE	24,954,258.34	28-Aug-15	Not yet Completed
39	CONSTRUCTION OF CHDM EMERGENCY HOUSES FOR LUKHANJI LOCAL MUNICIPALITY	41/2015/BM (NM)	OTHER	7,992,000.00	4-Nov-16	On hold
40	CONSTRUCTION OF CHRIS HANI DISTRICT MUNICIPALITY 427 EMERGENCY HOUSES FOR SAKHISIZWE LM	42/2015/BM(NM)	OTHER	2,960,000.00	9-Feb-18	On hold
41	CONSTRUCTION OF NEW CHRIS HANI VILLAGE OFFICE PARK- PHASE ONE	42/2016/BM(NM)	BUILDING	170,950,030.71	29-May-19	Not yet Completed
42	CONSTRUCTION OF CHRIS HANI DISTRICT MUNICIPALITY EMERGENCY HOUSES FOR NGCOBO LOCAL MUNICIPALITY	43/2015/BM (NM)	OTHER	5,328,000.00	3-May-18	On hold
43	CLUSTER 4 WATER BACKLOG: CONSTRUCTION OF BULK SUPPLY (GUGWENI RESERVOIR AND BUILDING WORKS)	45/2015/MD(TN)	INFRASTRUCTURE	8,584,754.72	10-Aug-16	Not yet Completed
44	Sada Water Treatment Works Upgrade Phase 1B Rising Main and Pump Chamber	46/2015/MD(MS)	INFRASTRUCTURE	2,852,029.20	10-Aug-16	Not yet Completed
45	TSOMO RDP3 - VANANDA WATER SUPPLY PROJECT: PRIMARY PIPELINE, PUMP STATION, RESERVOIR AND RETICULATION SUPPLYING TENZA -B AND ZOLO)	47/2015/MD(TN)	INFRASTRUCTURE	15,289,725.10	21-Jun-16	Not yet Completed

46	CLUSTER 5 WATER SUPPLY BACKLOG: WATER SUPPLY TO LUTHUTHU, MQABO -A & ZADUNGENI VILLAGES	49/2015/MD(AM)	INFRASTRUCTURE	17,521,784.10	14-Sep-16	Not yet Completed
47	CONSTRUCTION OF AN EPWP PROJECT FOR CLUSTER 2 WATER BACKLOG PROJECT : REGIONAL SCHEME3: PHASE 1B	50/2011/MD(LM)	INFRASTRUCTURE	19,577,922.01	9-May-12	Not yet Completed
48	CONSTRUCTION OF CHRIS HANI DISTRICT MUNICIPALITY 427 EMERGENCY HOUSES FOR INXUBA LM	50/2015/BM(NM)	OTHER	4,440,000.00	29-Mar-18	On hold
49	CALA BULK SANITATION SERVICES: UPGRADING OF CALA WASTE WATER TREATMENT WORKS INCLUDING BULK PUMP STATIONS AND ASSOCIATED RISING MAIN - PHASE 1	51/2014/MD(BL)	INFRASTRUCTURE	82,297,515.67	21-Dec-17	Project terminated
50	CONSTRUCTION OF CHRIS HANI DISTRICT MUNICIPALITY 427 EMERGENCY HOUSES FOR INKWANCA LM	51/2015/BM(NM)	OTHER	2,960,000.00	29-Mar-18	On hold
51	UPGRADE OF THE WATER RETICULATION AT POLAR PARK PHASE 6	51/2016/MD(BL)	INFRASTRUCTURE	9,537,767.90	18-Aug-17	Not yet Completed
52	CALA BULK SANITATION SERVICES: UPGRADING OF CALA BULK GRAVITY COLLECTOR SEWER - PHASE 2	52/2014/MD(BL)	INFRASTRUCTURE	11,820,482.89	18-Nov-15	Not yet Completed
53	CONSTRUCTION OF CHRIS HANI DISTRICT MUNICIPALITY EMERGENCY HOUSES FOR INTSIKA YETHU LOCAL MUNICIPALITY	52/2015/BM (NM)	OTHER	2,960,000.00	17-May-18	On hold
54	CLUSTER 6 WATER SUPPLY BACKLOG: GQAGA BULK SUPPLY - RISING MAIN WEST	53/2014/MD(TN)	INFRASTRUCTURE	37,024,084.00	13-Aug-15	Not yet Completed
55	XONXA DAM TRANSFER SCHEME: SUPPLY, INSTALLATION AND COMMISSIONING OF MECHANICAL & ELECTRICAL EQUIPMENT FOR XONXA PUMP STATION - AUGUMENT QUEENSTOWN WATER (XONXA)	53/2015/MD(AM)	INFRASTRUCTURE	81,212,174.18	29-Feb-16	Not yet Completed

56	CLUSTER 8 WATER BACKLOG PROJECT - TORA RIVER WEIR, PIPELINES AND WTW (PHASE 1)	54/2015/MD(TN)	INFRASTRUCTURE	44,911,333.00	21-Jun-16	Not yet Completed
57	Cluster 2 water backlog: Noluthando / Lukhavala Extensions - Phase 2	57/2016/MD(BL)	INFRASTRUCTURE	2,710,988.92	18-Sep-17	Not yet Completed
58	UPGRADES TO THE CHRIS HANI DM OFFICES - BELLS ROAD, QUEENSTOWN	59/2016/BM(NM)	BUILDING	19,407,777.96	23-Jun-17	Not yet Completed
59	RE: DORDRECHT WATER AND SANITATION SERVICESUPGRADE: EMERGENCY UPGRADES TO THE WATER TREATMENT WORKS	AUR1/2016/MD(BL)	INFRASTRUCTURE	5,679,838.75	28-Feb-16	Completed

## APPENDIX J – DISCLOSURES OF FINANCIAL INTEREST

Disclosures of Financial Interests		
Period March 2019 to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Crl. Kholiswa Vimbayo	Nil
Deputy Mayor	Cllr Wongamela Gela	Nil
Member of MayCo / Exco		
	Crl September –Caba Noncedo	Receiving pension
	Cllr. Sibongile Mbotshane	Family relative working in the municipality by the name Ms. Onela Mbotshane at BTO
	Cllr. Siyabulela Zangqa	Family relative working in the municipality by the name Mr. Banele Zangqa at Engineering Department
	Cllr. Nozibele Makanda	Nil
	Cllr. Nonzukiso Matiwane	Having financial interest I property(Residential) Close family member in business (Brother)
	Cllr. Mtetunzima Jack	Nil
Councillor	Cllr. Zanemvula Deliwe	Nil
	Cllr. R.W Venske	Nil
	Cllr. Sabelo B. Nxawe	Receiving pension
	Cllr. Zeziwe Raymond Shweni	Nil
	Cllr. Monde Desha	Nil
	Cllr. Buyisina Ntsere	Nil
	Cllr. Zukiswa Qayiya	Nil
	Cllr Ntombazipheli Nkota	Nil
	Crl. Siyabulela Nxosi	Nil
	Cllr. Saziso Myataza	Nil
	Cllr. Lizeka Tyali	Having interest in Property(Owner)
	Cllr. M. K Mafani	Having financial interest in Business(owner)
	Cllr. Sibusiso Mvana	Nil
	Crl. Kwaaiman Mjezu	Nil
	Crl.Mbulelo Lancelot Mxhonywa	Nil
	Crl. Sizwe Tame	Nil
	Crl. Luleka.E .G Mqinswana	Having financial interest in Property (Owner) Receiving Pension(MPCF)

**APPENDIX K (i) – REVENUE COLLECTION PERFORMANCE BY VOTE**

Revenue Collection Performance by Vote						
R' 000						
Vote Description	Year -2018	Current: 2019			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Example 1 - Vote 1	275,035,828	232,820,247	232,820,247	305,466,551		
Example 2 - Vote 2						
Example 3 - Vote 3						
Example 4 - Vote 4						
Example 5 - Vote 5						
Example 6 - Vote 6						
Example 7 - Vote 7						
Example 8 - Vote 8						
Example 9 - Vote 9						
Example 10 - Vote 10						
Example 11 - Vote 11						
Example 12 - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
<b>Total Revenue by Vote</b>	<b>275,036</b>	<b>232,820</b>	<b>232,820</b>	<b>305,467</b>	<b>–</b>	<b>–</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						
T K.1						

**APPENDIX K (ii) – REVENUE COLLECTION PERFORMANCE BY SOURCE**

Revenue Collection Performance by Source						
						R '000
Description	Year -2018	Year 2019			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	–	–	–	–	0%	0%
Property rates - penalties & collection charges	–	–	–	–	0%	0%
Service Charges - electricity revenue	–	–	–	–	0%	0%
Service Charges - water revenue	221,807,577.00	178,574	178,574	249,329,356	28%	28%
Service Charges - sanitation revenue	53,070,183.00	54,246	54,246	56,102,484	3%	3%
Service Charges - refuse revenue	–	–	–	–	0%	0%
Service Charges - other	158,068.00	–	–	34,711.00	100%	100%
Rentals of facilities and equipment	–	276	276	–	0%	0%
Interest earned - Bank	1,568,502.00	2,343	2,343	1,572,615	-49%	-49%
Interest earned - Investments	27,268,026.00	30,811	30,811	34,283,108	10%	10%
Interest earned - outstanding debtors	11,355,471.00	6,730	32,467	38,495,455	100%	100%
Dividends received	–	–	–	–	0%	0%
Fines	–	–	–	–	0%	0%
Licences and permits	–	–	–	–	0%	0%
Agency services	–	–	–	–	0%	0%
Transfers recognised - operational	519,901,085.00	592,096	645,630	596,831,653	1%	-8%
Other revenue	2,763,440.00	64,666	766	746,616	-8561%	-3%
Gains on disposal of PPE	–	200	400	-	0%	0%
Environmental Protection	–	–	–	–	0%	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>837,892</b>	<b>929,941</b>	<b>945,513</b>	<b>39,400,038</b>	<b>97.64%</b>	<b>97.60%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						T K.2

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 18/19			Variance: Current Year 18/19	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Mhlanga water supply	22,000,000	19,500,000.00	19,675,034.71	89%	101%
Tsomo waste water treatment works	41,913,400	45,407,586.00	38,013,340.84	91%	84%
Cluster 2 water backlog RS2 Phase1	15,000,000	16,234,374.00	14,067,556.96	94%	87%
Cluster 4 water backlogLubisi Bulk Pipeline from Skhungwini to Ndonga/ lady frere –Material supply	8,000,000	9,500,000.00	4,577,725.49	57%	48%
Cluster 9 water treatment works	75,000,000	121,684,323.00	50,689,680.95	68%	42%
* Projects with the highest capital expenditure in Year 0					
<b>Name of Project - A</b>	<b>Mhlanga water supply</b>				
Objective of Project	Provide water supply to communities				
Delays	No delays on project				
Future Challenges	Water supply from bulk contract to feed this project will only commencing September 2019 and completion sept 2020				
Anticipated citizen benefits	1445 households will be served once water comes on line in September 2020				
<b>Name of Project - B</b>	<b>Tsomo waste water treatment works</b>				
Objective of Project	Provide waste water treatment plant treat sewerage of Tsomo town				
Delays	Contractor performance and appointment of smme				
Future Challenges	None				
Anticipated citizen benefits	4943 households to benefit in long term on completion of future developments in town currently there are 2250 existing households				
<b>Name of Project - C</b>	<b>Cluster 2 water backlog RS2 Phase1</b>				
Objective of Project	Provide water to Eskiqikini, Dlakavu, Mkhonjana, Eqineni Esigxeni villages with potable water				
Delays	Contractor delays is building of reservoir struggled to get sub-contractor, struggled with earthworks due to terrain				
Future Challenges	Possible ESKOM delay, application done				
Anticipated citizen benefits	1364 households will benefit on completion of full scope of work				
<b>Name of Project - D</b>	<b>Cluster 4 water backlogLubisi Bulk Pipeline from Skhungwini to Ndonga/ lady frere – Material supply</b>				
Objective of Project	Provide bulk supply material for the civil contract				
Delays	manufacture and delivery				
Future Challenges	None project due completion in July 2019				
Anticipated citizen benefits	n/a				
<b>Name of Project - E</b>	<b>Cluster 9 water treatment works</b>				
Objective of Project	Provide treated quality water to communities to Cluster 9, tsomo town, Cluster 8 ADM cross border villages				
Delays	Contract performance in terms completing project timeously				

Capital Expenditure of 5 largest projects*					
					R' 000
Name of Project	Current: Year 18/19			Variance: Current Year 18/19	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Future Challenges	Securing additional funds to complete overall project				
Anticipated citizen benefits	13013 households on completion of full scope of project				
					T 5.7.1



**VOLUME II: ANNUAL FINANCIAL STATEMENT**

**ANNEXURE A – CHRIS HANI DEVELOPMENT AGENCY**







